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Pensions & Investments

The Newspaper of Corporate and Institutional Investing

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AT DEADLINE

Funding level boost aired

Rep. Peter J. Visclosky said he will introduce legislation to boost permissible funding levels for younger defined benefit plans to encourage creation of new plans and improve the health of existing plans.

His proposal will establish a sliding scale for the full-funding limit, based on a fund's projected benefit obligation. To offset any tax losses, he would increase the excise tax on reversions to 24% from 15%.

Aetna changes withdrawal

Aetna Capital Management now will give clients withdrawing from three of its commingled real estate funds a pro rata share of their investment. Previously, withdrawal requests were handled on a first-come, first-served basis. In addition, Aetna adopted an incentive-fee plan for its $1.7 billion Real Estate Equity Fund.

Ameritech names new exec

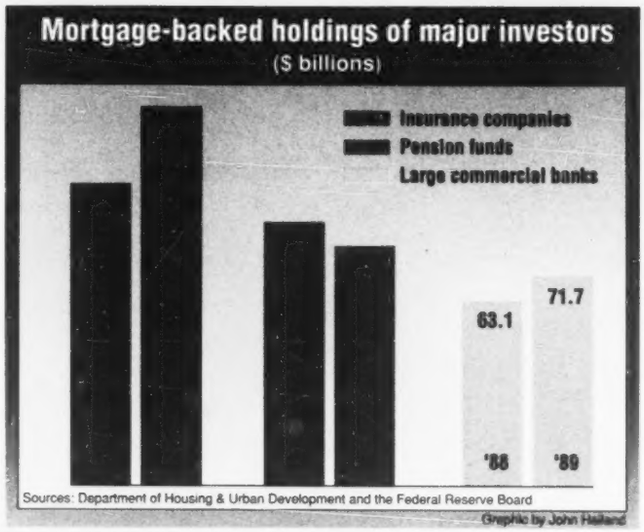
John E. Rooney Jr. has been named vice president and treasurer of American Information Technologies Corp., succeeding Carl G. Koch, who will retire Aug. 1. Mr. Rooney had been senior vice president and general manager of Mastercare Auto Service Centers, part of Bridgestone Firestone Inc.

Changing lineups

The $7.8 billion Shell Oil pension fund hired Hill Samuel/Investment Advisers Ltd. to run $50 million in a European-only equity portfolio . . . The $263 million Anne Arundel County Retirement Systems picked Bankers Trust Co. and BEA Associates Inc. to run active international equity accounts of $20 million and $5 million, respectively . . . The $210 million U.S. Army Non-Appropriated Fund Employee Retirement Trust hired Globe Finlay Inc. to manage $20 million in international equities . . . Viacom International Inc. tapped BEA to handle $10 million in fixed income . . . The $70 million Iron Workers Insurance and Pension Plan hired Daniel S. Kampel Associates Inc. to manage a $10 million balanced account . . . Refco Capital Trading Co. hired BEA for a $25 million enhanced low-risk arbitrage account, and the Hospital of St. Raphael hired BEA for a $50 million balanced account.

Consultant changes made

The $1.8 billion City of Philadelphia Pension Fund has recommended The Townsend Group to replace MIG Realty Advisors as its real estate consultant. A decision was to be made late last week . . . The $770 million Milwaukee County Employees Retirement System hired the Chicago office of William M. Mercer Asset Planning Inc. as consultant, replacing Prudential-Bache Securities Inc.



Mortgage securities lure insurers, banks

By Leonard J. Hollie

With corporate bonds tarnished and other fixed-income investments yielding lower returns, insurance companies and large commercial banks have nearly doubled their holdings of mortgage-backed securities to $210 billion.

But stepped-up efforts to sell more pension funds on mortgage-backed securities haven't lured them in great numbers into the $1 trillion market.

Insurance companies held $130.2 billion in mortgage-backed securities at year-end 1989, a 26.4% increase from 1988, according to the U.S. Department of Housing and Urban Development, Washington. Mortgage-backed securities accounted for 10% of insurance companies' portfolio

See **MBS market** *on page 50*

A benefits bonanza

Employees offered annuity and lump sum

By Hillary Durgin

WASHINGTON — The National Telephone Cooperative Association is amending its $340 million plan with an innovative twist allowing employees to receive their retirement benefits in a combination of a lump sum and an annuity.

The new program is expected to be cost neutral initially, but eventually could save the NTCA money. NTCA officials hope the amount of assets flowing out of the plan will decrease since participants now will be allowed to take some money in a lump sum and some in an annuity. If less money is withdrawn in lump sums, there will be more money remaining in the plan to earn investment income.

Previously, participants could take a lump sum or an annuity, but not both.

"One reason we keep giving people more flexibility with annuities is to lessen the lump sums," said Scott Gildner, consulting actuary with The Wyatt Co., Washington, NTCA's actuary. "It is a drain. It is easier to invest for the long run if people take annuities."

Under the new flexible pension plan — possibly the first of its kind — employees would be able to design their own retirement benefit. The employer would specify the limits for each benefit.

For example, given a hypothetical limit of a $100,000 lump sum and a $10,000 annual annuity, a participant could elect a lump sum of $46,000 and the remainder as an annuity, or an annuity of $6,000 and the remainder as a lump sum.

About one-third of the Fortune 1000 companies offer plan participants the option of cashing out their retirement benefits in a lump-sum distribution, said Mr. Gildner. He added, however, virtually no companies give participants the option to receive benefit payments in a combination lump-sum/annuity format.

With the lone exception of PepsiCo Inc., Purchase, N.Y., "I've never seen the combination," Mr. Gildner said. "I don't know of anyone who says, 'Within boun-

See **Bonanza** *on page 47*

Package trades go international

Funds cut foreign costs by up to 33%

By Margaret Price

U.S. pension funds increasingly are trying to cut the costs of international investing through package trading, or the buying and selling of complete portfolios.

Among the players are Unisys Corp., American Information Technologies Corp., General Electric Co. and Household International Inc.

Package trading has many names, including program trading (not to be confused with the arbitrage-based investment strategy), block trading and portfolio restructuring. And while the technique most often is used in purchasing U.S. securities, its use in foreign markets is growing, largely because overseas investing is more costly.

Commissions on foreign equity trades can be five to 10 times as much as those on domestic stock trades, noted John Stimpson, a principal at Morgan Stanley & Co. Inc., New York. But with a package trade, investors can expect to save roughly one-third of the normal total cost of executing the individual trades, he said.

Some pension funds use package trading to make their first international investments or to expand their holdings; others do so to shift money among investment managers or asset classes.

T. Britton Harris, managing director of pension management worldwide for ABB Asea Brown Boveri in White Plains, N.Y., said his fund's package trade purchase of $20 million of foreign stocks last year saved at least one-third of the cost normally incurred (*Pensions & Investments*, Sept. 4).

The fund, which at the time was Combustion Engineering Inc., used Morgan Stanley to handle the trade. Mr. Harris said he expects to execute more package trades this year.

Pension fund executives like the technique because they can negotiate, with brokers, favorable terms for the deals, such as guaranteeing purchase prices of desired stocks. And because international block trades take only a few days to complete, investors also might capture appreciation of rising markets more rapidly than if a package of stocks were bought slowly and in piecemeal.

But, "if a market goes down during the month investors bought stocks" in a big block, the investment costs would be higher than if the investor bought them a little at a time, said Allan Emkin, managing director at Pension Consulting Alliance, Glendale, Calif.

Market impact can be another concern. Some investors advise scrutinizing brokers' executions to be sure the package trade didn't trigger sharp price swings or other problems.

Still, international package trading is catching on. "This area has really taken off" since last year, said Morgan Stanley's Mr. Stimpson. He said his firm this year has seen at least 10 U.S. pension funds — including "several of the top 10 Fortune 500 companies" — investing "in excess of

See **Package** *on page 49*

NEWS DIGEST

A wire transfer proposal, clarifying terms and liabilities of the transactions, has been sent to the states for approval. Page 12.

The concentration of assets among the largest money managers could stifle the creativity often found in smaller organizations. Opinion, Page 14.

Defined benefit plan formation hit a low in 1989 when, not coincidentally, many recent tax law changes took effect. Commentary, Page 16.

Investment management software packages are the subject of a new column that makes its debut in this issue. Page 18.

Supporters of dynamic hedging rally to the defense of the oft-criticized strategy, saying it lowers risk and adds liquidity. Page 19.

A short-term trading tax, as proposed by Sens. Nancy Kassebaum and Robert Dole, would reduce the market's role as a guide to a company's prospects. Page 44.

Two Sanford Bernstein analysts predict an era of heightened competition, as managers cope with slower asset growth. Page 46.

The state of Alaska is seeking outside investors for a state-sponsored venture capital fund. Page 49.

SPECIAL REPORT: INTERNATIONAL

The global arena is one of the hottest topics among investors these days. In this issue, *Pensions & Investments* profiles the top 50 international and the top 50 global managers, as well as ranks the world's 300 largest pension plans, with a more in-depth view of 25 of the biggest non-U.S. funds. Page 21.

FINANCING

The success of Atlas Copco's $200 million worldwide equity issue has bankers scurrying to complete similar deals in order to capitalize on investor interest. Page 6.

INTERNATIONAL

U.S. pension funds are using a domestic technique — package trades — to reduce the cost of foreign investing and facilitate asset shifts. Page 1.

REAL ESTATE

The Algemeen Burgerlijk Pensioenfonds' venture with Ameritech's pension fund is but one of many realty deals the Dutch fund has planned. Page 3.

The Texas Teachers system is looking for a joint venture partner for $200 million it wants to invest in the participating debt of European property. Page 4.

Realty return measures showing low volatility relative to stock and bonds are understandable given the asset's two components. Page 43.

DEPARTMENTS

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Real estate survey under way

Questionnaires for *Pensions & Investments'* annual survey of real estate investment advisers will be mailed this week. The deadline for returning questionnaires is July 29; the survey will be published Sept. 3. If you qualify and do not receive a questionnaire soon, or have questions about the survey, please contact Christine Philip, directory coordinator, at (312) 649-5217.

High court spares PBGC

LTV ruling restores plans, affirms agency's authority

By Barry B. Burr

WASHINGTON — The Pension Benefit Guaranty Corp. sees little chance of The LTV Corp. trying to reterminate its pension plans after a Supreme Court ruling vindicated the federal agency on restoring the company's plans.

In addition, the decision reduces the need for the PBGC to seek a premium rate hike from employers.

Because LTV is "very healthy right now," James B. Lockhart III, PBGC executive director, doesn't see "any possibility" of LTV reterminating to avoid funding some $2.5 billion in liabilities.

Photo by Douglas Konkol

LTV must find a way to pay for three underfunded, steel-related pension plans, the Supreme Court ruled.

LTV "has $1 billion in cash and a healthy cash flow. It's recovering; the steel industry is turning around," Mr. Lockhart said. That assessment is based in part on a financial report prepared by Salomon Brothers Inc., New York, to help the PBGC analyze LTV.

Mr. Lockhart noted the financial stress test for LTV to apply for retermination "is pretty tough. It's pretty much a liquidation test."

For LTV to reterminate its plans, he said the company would either have to be in Chapter 7 bankruptcy liquidation proceedings, or threatened with being pushed into Chapter 7 unless relieved of financially ruinous pension liabilities.

An LTV spokesman said the company, which is still in Chapter 11 reorganization, doesn't have the money to fund the liabilities of the three steel-related pension plans the PBGC is returning to the Dallas-based diversified steel, aerospace and energy company.

LTV's options "could range from negotiating with the PBGC to trying to reterminate," said James Bowman, manager-financial communications. "A decision hasn't been made on what to do."

The PBGC, Mr. Bowman added, has "never recognized the fact that we haven't paid any interest

See **LTV ruling** *on page 47*

'50s data meets '90s computers

Dedicated stocks get mixed reviews

By Curtis Vosti

Revolutionary or evolutionary?

Those who tout it — Bob Haugen, professor at the University of California-Irvine and director of AG Risk Management, also in Irvine, and officials of National Investment Services of America Inc., Milwaukee — say the concept of dedicated stock portfolios is revolutionary.

These dedicated stock portfolios are different from dedicated bond portfolios, which structure fixed-income assets to pay off at the same time and amount as maturing liabilities. The stock portfolios Mr. Haugen and the folks at NISA talk about primarily are dedicated to risk management.

They say the strategy offers the same or better returns for less risk than the market or better returns for the same risk, and can be structured to limit pension liabilities from the effects of inflation or interest rates.

"The 1990s are going to be the decade of risk management for equity portfolios," Mr. Haugen says. NISA for a year has been managing $50 million under these strategies for three pension funds the firm wouldn't name.

Some investment professionals who have listened to Mr. Haugen's presentation say he didn't give enough details to judge the system fully. They say the techniques sound similar to those already in use by others.

The system is not revolutionary, they say; it is evolutionary, if that.

And as can be expected, there are others at work on variations of the same theme.

But there are those who have been impressed with what they've seen. Roger Bransford, national director of asset consulting at TPF&C in Atlanta, is one who sees the strategy having value for pension executives wrestling with FASB 87.

The criticisms do not bother Mr. Haugen, who dismisses them as based on, perhaps, professional jealousy and definitely on misconceived notions of risk.

As first structured in the seminal risk/return studies by Harry Markowitz in 1952, the concept of risk among stocks in a portfolio has grown, Mr. Haugen said, but in the process has changed for the worse.

As scholars have analyzed asset

See **Dedicated stocks** *on page 49*

Search underscores obstacles

By Trudy Ring

The $57 billion California Public Employees' Retirement System's decision to redo its emerging manager search illustrates the difficulty new, small or minority-owned firms encounter in trying to crack the institutional investment market.

The fund's board has voted to interview all 85 firms that were accepted for review in its search that was designed to open up opportunities to newer and smaller firms, especially firms owned by minority groups and women (*Pensions & Investments*, Dec. 11).

None of the 29 finalist firms was owned by blacks, although 10 were owned by minorities and women.

Charles Valdes, chairman of the California Employees' investment committee, said the staff apparently penalized some firms for being too large or growing too fast — issues that never were presented to the board. The firms had to have at least $20 million under management — reduced from the system's usual $500 million minimum — but there was supposed to be no upper limit, he said.

He called the results "discrimination by misapplication of the rules," and noted black-owned firms that made the finals in a search by the California State Teachers' Retirement System were rejected by the public employees' system.

Those firms are Brown Capital Management Inc., Baltimore; WR Lazard & Co., New York; and NCM Capital Management Group Inc., Durham, N.C., confirmed DeWitt Bowman, chief investment officer at the public employees' system. WR Lazard, with about $1.7 billion under management, was disqualified for being too big, he said; the other firms were among the 85 reviewed, but did not make the final 29.

Mr. Bowman said there was an upper limit on the assets a firm could manage, and this ceiling

See **Search** *on page 50*

GE Investments

Worldwide Diversified Money Management Services

Exploring Europe

Texas Teachers seeking realty partner

By Terry Williams

AUSTIN, Texas — The $23.3 billion Teacher Retirement System of Texas is considering a joint venture in European real estate debt with a European pension fund.

The initial investment would be about $200 million — about 10% of the fund's real estate allocation — and would be participating debt, primarily in office buildings, said Owen A. Reischman, investment officer-real estate.

Fund officials so far have talked with one European pension fund but have not yet established an arrangement, he said.

He declined to identify the pension fund or its nationality. When asked, however, if it were a British or Dutch fund, he replied, "it could be possible."

Mr. Reischman characterized the search for a European joint venture partner as in the "incubation stage." It hasn't been addressed by the retirement system's trustees, he said.

Texas Teachers' investment officers began to consider foreign real estate investment last year.

"Our fund, as a whole, needs to be thinking about global investing," he said.

"The events in Eastern Europe have brought everyone to the realization that global investing will be here a lot quicker than we anticipated."

Joint ventures are not new. European pension funds for years have invested in U.S. real estate through joint ventures with domestic real estate money managers, according to Jake Young, a consultant with Roulac Real Estate Consulting Group, Chicago.

But Texas Teachers' intention to establish a joint venture with a European fund to invest in real estate overseas is a new twist, he said.

Mr. Young knows of no other U.S. pension funds planning to invest in European real estate through a joint venture with a European pension fund.

To date, most U.S. pension fund investment in foreign real estate has been through domestic real estate investment managers such as JMB Institutional Realty Corp. or foreign realty companies.

More recently, investment managers (such as Jones Lang Wootton Realty Advisors, Equitable Real Estate Investment Management Inc., Fiduciary Trust Co. International and The Yarmouth Group) have begun to develop commingled funds to invest in European real estate.

But Mr. Reischman prefers a joint venture with a foreign pension fund.

"We think the experience levels of foreign pension funds are vastly superior to the advisers in the United States," he said. "They have had long histories of dealing with properties in Europe (and) are better suited."

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CORRECTIONS & CLARIFICATIONS

• In the May 21 issue on the largest money managers:

Fiske Capital Management was represented incorrectly in the rankings with $10 million in tax-exempt assets.

Fiske has $40 million, making it No. 856.

Lehndorff & Babson Real Estate Counsel was listed incorrectly on the chart on page 71. The firm manages $781 million in discretionary assets and $1.104 billion in non-discretionary assets for U.S. institutional tax-exempt clients.

No assets are assigned to other firms.

John Hancock Financial Services misreported total assets and total discretionary assets under management. The correct figure for each category is $46.948 billion.

CASH MANAGEMENT

States to decide on wire proposal

■ A proposed statute clarifying the terms and limits of damages involved with late or improperly executed wire transfers has been submitted to the states for approval.

So far, Virginia, West Virginia and Utah have approved proposed article 4A to the Uniform Commercial Code pertaining to electronic funds transfers. Texas, California, Washington, Virginia and Illinois are expected to consider it later this year, but the bulk of state legislatures aren't expected to deal with it until 1991. States have the option of adopting, rejecting or modifying the proposal. If rejected, the proposal does not apply in the state.

The statute, in the works since 1985, was prepared by the National Conference of Commissioners on Uniform State Laws with help from the banking industry, the American Bar Association and the National Corporate Cash Management Association.

Nina Nodge is cash manager for Weatherford International Inc., Houston, and head of an ad hoc committee of the NCCMA involved with article 4A. She said the final measure clarifies the responsibilities for banks and corporate treasurers.

She advised corporate cash managers to "find ways to leave tracks on who is responsible for wire transfers. If there are problems, the corporation must prove it was not at fault."

If there are errors in wire transfers, corporations will have up to 90 days to report to the bank, under the proposal. Banks will have until the open of business the following day to notify corporations of the acceptance or rejection of a wire transfer.

Bank exposure to highly leveraged transactions (HLTs)

Bank	HLTs outstanding ($ millions)	HLTs outstanding as % of loans	Non-performing HLTs as % of loans	Total HLT exposure as % of common equity
Continental Bank	$2,900	18.6%	1.3%	382%
Bank of Boston	5,328	21.2	4.2	379
Wells Fargo	4,200	10.1	3.6	286
Bankers Trust	3,400	16.1	9.2	286
Bank of New York	4,178	11.4	2.3	249

Source: Oppenheimer & Co. Inc., from company financial statements

BANKS

HLT exposure coming to the fore

■ About $1.75 billion of the more than $54 billion in outstanding loans from the nation's top commercial banks for highly leveraged transactions are classified as non-performing assets.

And Oppenheimer & Co. Inc., New York, looks for NPAs to rise.

When you add in commitments not yet funded and subordinated debt and equity out on those transactions, total HLT exposure (such as leveraged buy-outs and recapitalizations) of the major banks amounts to $85.5 billion.

Citicorp leads with total HLT exposure of $12.3 billion, followed by Bank of Boston with $7.2 billion. Bankers Trust Co., Citicorp and BankAmerica had the highest NPAs as a percentage of HLT loans.

Oppenheimer said anticipated deterioration in HLT credit quality is becoming visible in rising non-performing assets. Although only 3.2% of large bank HLTs were on NPA status in 1989, Oppenheimer expects a big increase in the first quarter and more through the year.

The data assembled by Oppenheimer came from 1989 annual reports. The reports for the first time spelled out bank exposure to highly leveraged transactions using a uniform definition provided by regulators.

WASHINGTON

SEC's McGrath seeks top dollar

■ After 16 years at the Securities and Exchange Commission — including the last seven as director of its division of investment management — why is Kathryn B. McGrath leaving the SEC?

"Money," Ms. McGrath explained.

"I've got to leave, or I'll be an old lady limping along on a Social Security check."

The federal government's top salary for civil servants is $83,600. Although Ms. McGrath does not expect to become rich with her new employer — the prestigious law firm of Morgan, Lewis & Bockius — she will be paid considerably more as a partner there.

K. McGrath

She also will be able to drive in to work at 10 Monday mornings from her home in Luray, Va., located snug in the Blue Ridge Mountains, without having to be docked for an hour of vacation time.

She starts her new job July 1.

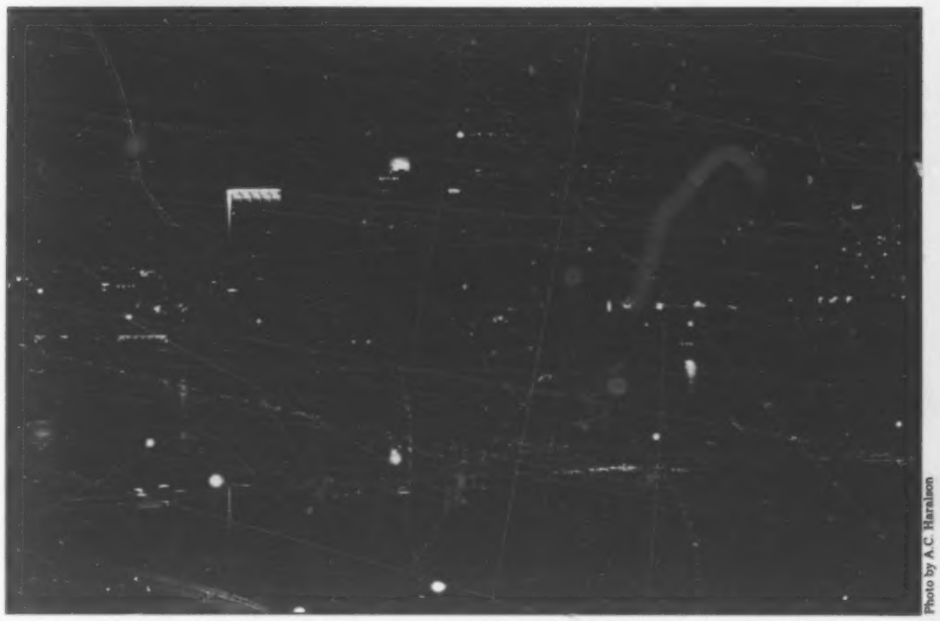

Photo by A.C. Haralson

The view from Little Rock, Ark., gives Stephens Inc. a different insight on investment banking.

INVESTMENT BANKING

Stephens is happy to be located off the beaten path

■ From its Little Rock, Ark., office, Stephens Inc. has a unique perspective on investment banking and dealmaking.

Stephens, a 40-year-old family owned full-line investment bank, sees upturn, growth and opportunity in the underserved Southeast, Southwest and Midwest. Dale Dawson, managing director, says Stephens' Little Rock headquarters is conveniently situated to all three regions. Plus, there are few other well-capitalized investment banks to compete with it.

Unlike its larger Wall Street competitors, Stephens has been expanding its corporate finance, advisory and merger and acquisition activities.

Proud of its relationship orientation, the firm just hired three former Wall Street executives, and soon will open its first office outside Little Rock (in Houston).

Stephens long has been active in the energy and retailing industries, two industries it views as being ripe for investment banking services. Clients include Tyson Foods Inc., Alltell Corp., Wal-Mart Stores Inc., Arkla Inc. and JB Hunt Transport Services.

Newly named Managing Director Gerald Bodzy will head the Houston office. He has years of experience with Texas companies, and was managing director in Smith Barney, Harris Upham & Co.'s corporate finance division. Associates Michael Ames and Gene Shepherd, who each had the same title in Merrill Lynch, Pierce, Fenner & Smith Inc.'s Houston office, will join him.

CORPORATIONS

Playboy's dual-class recapitalization draws bankers

■ With Hugh Hefner's muscle, Playboy Enterprises Inc. had little trouble winning approval of its proposed dual-class recapitalization earlier this month.

Christie Hefner, chairman and chief executive officer, said she needed financing flexibility for acquisitions, new equity, employee benefits and the improved liquidity that would result. Playboy is among the first New York Stock Exchange-listed companies to propose such a recap under a new rule allowing companies with dual-class voting structures to list.

Investment bankers already are knocking on Playboy's door. But institutional investors probably won't be as eager: They own little Playboy stock now and generally oppose dual-class recapitalizations that eliminate voting rights for one class of stock.

Playboy's dual-class recap includes a one-for-two reverse split of the company's shares and an increase in the number of shares authorized to 37.5 million (from 15 million), consisting of 7.5 million shares of Class A stock and 30 million shares of Class B stock with no voting rights.

Executives of the company came up with the plan because Mr. Hefner, Playboy's founder and chairman emeritus, didn't want to give up his controlling block of stock. Ms. Hefner, however, wanted the flexibility to issue stock without diluting her father's voting power.

INTERNATIONAL

Convenants are more common in U.K. bond issues

■ More British companies are putting event risk covenants in their bond issues even though takeovers are less of a threat than in the United States.

Recent public debt offerings by BAT Industries PLC, Boots Co. PLC, J. Sainsbury PLC, Ratners PLC and Reed International PLC contained event risk covenants.

Unlike the United States, event risk protection is unusual in the United Kingdom. British investors haven't clamored for protection from sudden drops in corporate credit quality.

Standard & Poor's Corp. says the current high level of U.K. interest rates and the well-chronicled problems in the U.S. high-yield market have reinforced the cautious sentiment in Britain and reducing event risk. But the rating agency says lower interest rates and depressed share prices could provide "tempting opportunities for a more aggressive wave of leveraged takeover activity in the U.K." And investors are right to be concerned.

"Although event risk hurdles in the U.K. are somewhat higher and greater in number, they can be overcome. As a result, holders of U.K. corporate debt face the threat of event risk, and to the extent that financial practices within the U.K. become more aggressive in years to come, the likelihood of event risk can become more pronounced," S&P said in a report.

Global push stays strong

Largest investment firms managing 60% more assets

By Curtis Vosti

The American institutional plunge into international/global investing continues, as the top 50 managers reported a growth of 38% in assets under management for the year ended March 31.

For the second year in a row, *Pensions & Investments*' annual survey of international money managers shows the growth in global mandates — those that allow investments in the United States — was greater than that of pure international, which exclude U.S. investment.

The assets managed under international mandates, however, still exceed those for global investing by more than 2 to 1.

Assets under management by the top 50 firms, ranked by international and global accounts combined, jumped to $83.211 billion from $60.263 billion reported a year earlier.

Separately, the top 50 global firms increased by 60.4% their assets under management for the year ended March 31, to $25.319 billion, while assets of the top 50 international managers increased 29.6%, to $61.86 billion.

In some cases, the largest global or international managers were not among the top managers ranked by combined assets.

The overall increase is all the more indicative of a deeper commitment from institutional investors because market returns added little, if any, to the growth in assets.

The Morgan Stanley Capital International Europe Australia and Far East Index returned −11.35% for the year ended March 31, while the MSCI World Index returned −1.76%.

For the same time period, the Salomon Brothers World Bond Index returned 3.15%.

Brinson Partners Inc., Chicago, showed the biggest percentage increase — 132.5% to $6.819 billion — of any of the top 50 managers of combined international/global assets.

Managing partner Richard Carr said the tremendous growth was fueled by many new clients as well as existing clients changing the portfolio mandates to global from either domestic or international or a combination of the two.

"We see people continuing to show interest in international, but we see a higher proportion wanting to do so on a global basis," Mr. Carr said.

"The people who want to do it globally realize a lot of value can be added by being able to move money back and forth (between overseas and the U.S.) at appropriate times."

The firm increased its global mandates 479.9% from a year earlier. Its international mandates grew a scant 0.6%. New clients included the Illinois Municipal Retirement Fund, the Wisconsin State Board of Investments and the California Public Employees' Retirement System.

Bobbie Parkhill, a principal at the consulting firm Ennis, Knupp & Associates, Chicago, sees the increased interest in globalization as a sign of a broader understanding of world markets.

"I think the larger and sophisticated clients are moving in that direction," she said. "And some of the smaller clients are, too.

"They have to stop thinking of the equities (U.S. and non-U.S.) as two separate asset classes and start thinking of them as just equities."

Mandates for equity investments among the top 50 international/global managers increased 33.9% from a year earlier. Fixed-income investments from among the top 50 grew 25.4% from a year ago.

Also, $4.972 billion was reported in balanced accounts.

Brinson Partners ranked second to State Street Bank and Trust Co., Boston, in total international and global assets under management.

It was the fourth year in a row State Street has led the survey. Its assets under management in international and global accounts combined increased 41% to $7.874 billion, from $5.584 billion a year ago.

According to Larry L. Martin, vice president at State Street, clients are branching out beyond the traditional capitalization-weighted passive vehicles as they gain familiarity with international investing.

"We're seeing more non-capitalization-weighted strategies, more active/passive strategies, more enhanced passive/active and more active/active strategies," he said. "I call it a sign of comfort."

The top 50 firms categorized 85.9% of the assets as "actively" managed, which Mr. Martin said reflects current trends.

"People saw that the median active manager beat the index and they think that maybe it goes in cycles," said Mr. Martin. "They associate passive investing with a full Japan weighting."

Christopher Nowakowski, president and founder of InterSec Research Corp., Stamford, Conn., is cryptic about the effect of his firm's survey indicating active managers beat the indexes.

"Pension funds are particularly expert at going forward by looking through a rear-view mirror," he said. "All of a sudden, everyone thinks active is the place to be."

Ennis Knupp's Ms. Parkhill, however, says pension funds are learning active management has its merits apart from beating the indexes.

See **Global** *on page 28*

In this issue's special report, *Pensions & Investments* takes a look at the international investment market.

First, we profile 25 of the largest non-U.S. pension funds in the world, and rank (in a joint project with InterSec Research Corp., Stamford, Conn.) the 300 largest pension funds in the world. Then, we rank more than 100 managers of international and global accounts for U.S. tax-exempt institutional clients, running profiles on the firms ranking in the top 50 of each universe.

P&I's international reporters — Margaret Price and Curtis Vosti — compiled the information on the 25 pension funds from a variety of sources.

InterSec's listing of non-U.S. pension funds was the starting point. Pension executives then were asked to complete a questionnaire, used to write the profiles beginning on page 22.

Additional information was gathered through the assistance of Alan Philipp Information Services Ltd., London, publishers of Pension Funds and Their Advisers, 1990; CPF Publishing Inc., Toronto; and the Japan Bond Research Institute, The Institute of Investment Technology at Nikko Research Center Ltd. and Japan Pension Fund Association, all of Tokyo.

Pension Funds and Their Advisers is distributed in the United States by Money Market Directories Inc., Charlottesville, Va.

The information on the investment management firms was compiled from questionnaires.

The manager profiles and charts begin on page 28.

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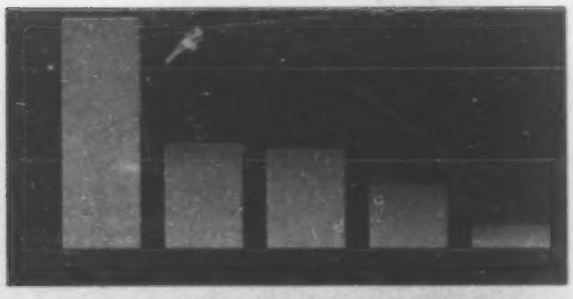
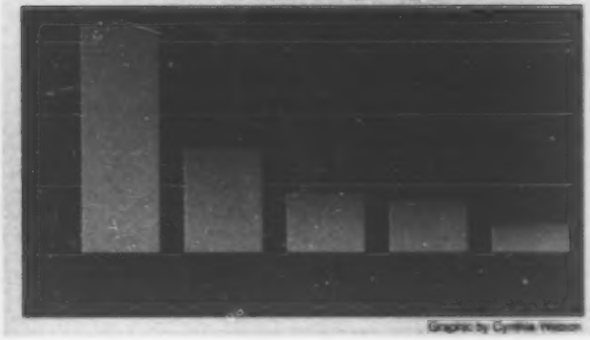
Japan, U.S. top equity draws*

International account weightings



Global account weightings



Graphic by Cynthia Watson

P&I/InterSec World 300 (U.S. $ mils.)

1.	TIAA-CREF	U.S.	81,000	32.	North Carolina	U.S.	16,791	63.	Eastman Kodak	U.S.	9,500
2.	ABP	Netherlands	73,268	33.	NYNEX	U.S.	16,062	64.	Philips	Netherlands	9,434
3.	California Employees	U.S.	54,000	34.	Pa. Public Schools	U.S.	15,439	65.	Los Angeles County	U.S.	9,369
4.	Public School Teachers	Japan	48,969	35.	Ameritech	U.S.	14,309	66.	Colorado Employees	U.S.	9,227
5.	New York State & Local	U.S.	44,236	36.	Bell Atlantic	U.S.	13,636	67.	Barclays Bank	U.K.	9,146
6.	AT&T	U.S.	42,700	37.	Post Office	U.K.	12,951	68.	Rockwell Int'l	U.S.	9,124
7.	New York City	U.S.	41,404	38.	University of California	U.S.	12,909	69.	Teamsters, Western	U.S.	9,064
8.	General Motors	U.S.	40,900	39.	BellSouth	U.S.	12,843	70.	Lockheed	U.S.	8,926
9.	Nat'l Gov't Employees	Japan	38,280	40.	Washington State Board	U.S.	12,669	71.	Georgia Teachers	U.S.	8,908
10.	Caisse de Depot	Canada	32,300	41.	Electricity Supply	U.K.	12,541	72.	Illinois Teachers	U.S.	8,475
11.	California Teachers	U.S.	30,335	42.	GTE	U.S.	12,425	73.	United Nations	U.S.	8,414
12.	Rover Group	U.K.	30,000	43.	Minnesota State Board	U.S.	12,343	74.	Southwestern Bell	U.S.	8,334
13.	U.K. Atomic Energy	U.K.	30,000	44.	British Railways	U.K.	12,105	75.	United Technologies	U.S.	8,281
14.	General Electric	U.S.	28,912	45.	NTT Mutual Aid	Japan	11,630	76.	Sears, Roebuck	U.S.	8,101
15.	Pension Welfare Service	Japan	28,656	46.	Pacific Telesis	U.S.	11,440	77.	Universities Super.	U.K.	8,100
16.	New York Teachers	U.S.	28,130	47.	Oregon Employes	U.S.	11,178	78.	Tenn. Consolidated	U.S.	8,075
17.	Public Service Super.	Canada	26,400	48.	Maryland State	U.S.	11,066	79.	Imperial Chemicals	U.K.	8,070
18.	IBM	U.S.	25,775	49.	Boeing	U.S.	11,001	80.	Exxon	U.S.	8,066
19.	New Jersey	U.S.	24,526	50.	Private School	Japan	10,689	81.	Connecticut Trust Funds	U.S.	7,998
20.	Texas Teachers	U.S.	23,500	51.	Ontario Municipal	Canada	10,621	82.	NSW State Board	Australia	7,936
21.	Ford Motor	U.S.	22,800	52.	Pension Fund Assoc.	Japan	10,057	83.	Alabama Retirement	U.S.	7,884
22.	British Coal	U.K.	20,982	53.	Virginia Supplemental	U.S.	10,344	84.	Shell Oil	U.S.	7,840
23.	Wisconsin State Board	U.S.	20,033	54.	Police Personnel	Japan	10,349	85.	Arizona State	U.S.	7,812
24.	British Telecom	U.K.	19,828	55.	Agri./Forestry/Fishing	Japan	10,088	86.	McDonnell Douglas	U.S.	7,589
25.	PGGM	Netherlands	19,287	56.	Prefectural Gov't	Japan	9,984	87.	British Petroleum	U.K.	7,505
26.	Ohio Public Employees	U.S.	19,305	57.	B.C. Superannuation	Canada	9,909	88.	Philip Morris	U.S.	7,470
27.	Florida State	U.S.	19,700	58.	Teamsters, Central	U.S.	9,849	89.	Shell	Netherlands	7,235
28.	E.I. du Pont de Nemours	U.S.	18,681	59.	USX	U.S.	9,625	90.	South Carolina	U.S.	7,072
29.	Ohio State Teachers	U.S.	18,059	60.	U S WEST	U.S.	9,609	91.	Chevron	U.S.	7,069
30.	Michigan Employees	U.S.	17,948	61.	British Gas	U.K.	9,519	92.	Allied-Signal	U.S.	7,000
31.	Public Service	Japan	17,369	62.	Pa. State Employees	U.S.	9,504				

Listing continues on page 23

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Algemeen Burgerlijk Pensioenfonds

	(U.S. $ millions)
Total pension assets	73,268
Asset mix:	
Stocks	2%
Private loans	73.3%
Real estate	5.8%
Other	18.9%

HEERLEEN, Netherlands — The Algemeen Burgerlijk Pensioenfonds had $73.268 billion (U.S.) in assets, according to the 1990 edition of Pension Funds and Their Advisers. Of that amount, 73.3% was in private loans, 18.9% in other fixed income, 5.8% in real estate and 2% in stocks.

M. Snigders is president and chief executive officer.

Barclays Group Pension Fund

	(U.S. $ millions)
Total pension assets	9,146
U.S. stocks	883
U.S. bonds	101
U.S. real estate	238
Indexed assets:	
Domestic stocks	3,073
Foreign stocks	462
Asset mix:	
Domestic stocks	48%
Domestic bonds	5.4%
Cash equivalents	2.9%
Foreign stocks	29.7%
Foreign bonds	1.1%
Domestic real estate	10.3%
Foreign real estate	2.6%

LONDON — The Barclays Group Pension Fund had $9.146 billion (U.S.) in assets as of Dec. 31. Of the total, 77.7% was in stocks, 12.9% was in real estate, 6.5% was in bonds and 2.9% was in cash equivalents.

The fund's money manager is BZW Investment Management, a wholly owned subsidiary of Barclays Bank PLC.

Key personnel overseeing the pension fund are Michael Mawdsley, pensions manager of Barclays Bank.

British Airways Pension Trustees Ltd.

	(U.S. $ millions)
Total pension assets	6,133
U.S. stocks	450
U.S. bonds	100
U.S. real estate	25
Internally managed assets	6,133
Asset mix:	
Domestic stocks	55%
Domestic bonds	3%
Cash equivalents	3%
Foreign stocks	26%
Foreign bonds	3%
Domestic real estate	9%
Foreign real estate	1%

LONDON — British Airways Pension Trustees Ltd. had $6.133 billion (U.S.) in assets as of Dec. 31. Of the total, 81% was in stocks, 6% bonds, 10% real estate and 3% cash.

The fund does not use external managers and does not have an investment consultant.

Key personnel overseeing the pension fund are Charles Woodward, chief executive, and Peter Moon, investment manager.

British Coal Pension Funds

	(U.S. $ millions)
Total pension assets	20,982
U.S. stocks	1,047
U.S. real estate	419
Internally managed assets	20,943
Indexed assets:	
Foreign stocks	209
Asset mix:	
Domestic stocks	48%
Domestic bonds	12%
Cash equivalents	6%
Foreign stocks	17%
Domestic real estate	12%
Foreign real estate	2%
Other	3%

LONDON — The British Coal Pension Funds had $20.982 billion (U.S.) in assets as of Dec. 31. Of the total, 65% is in stocks, 12% in bonds, 14% in real estate, 6% in cash and 3% in venture capital.

The fund does not use external money managers or investment management consultants.

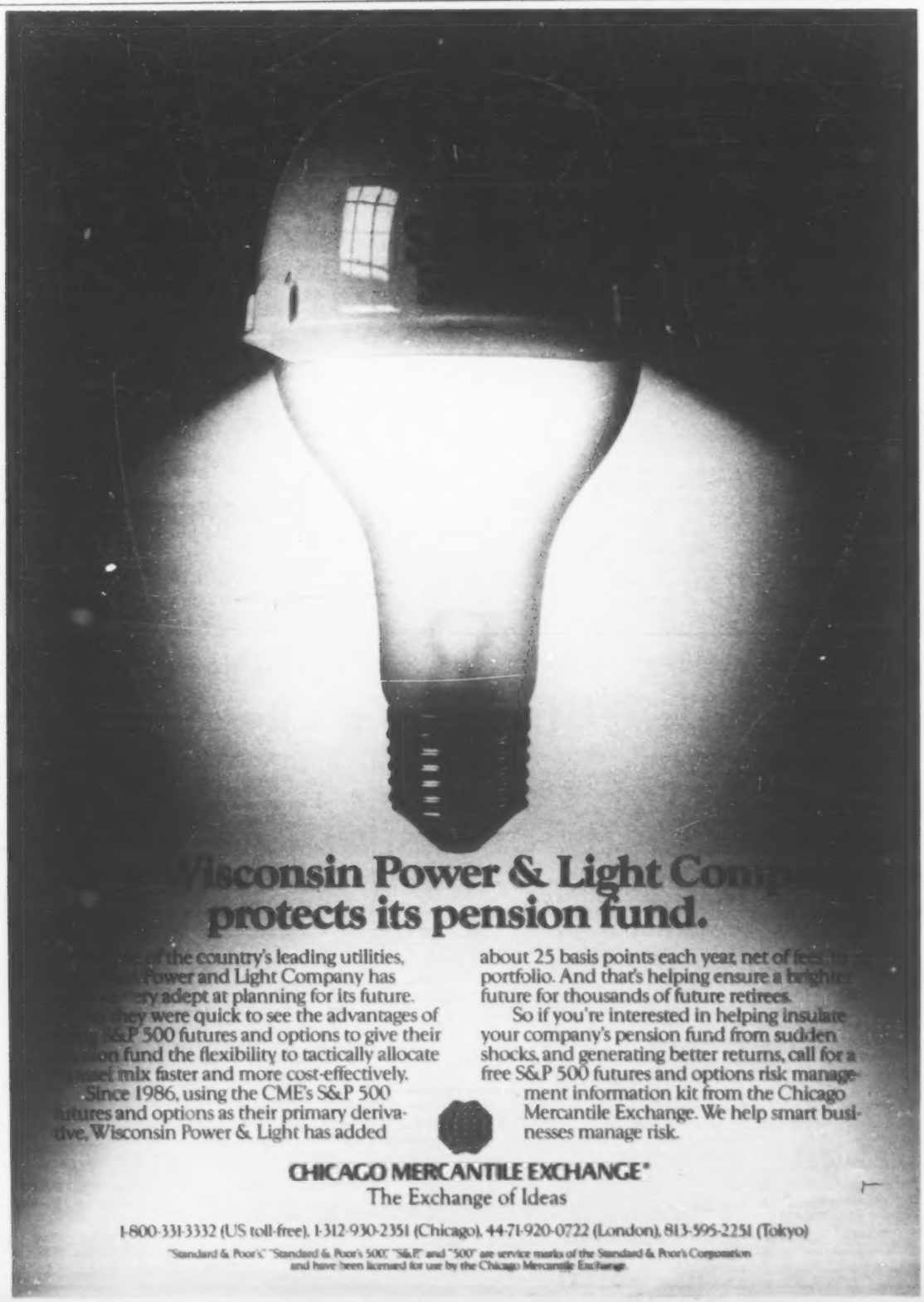
Key personnel overseeing the fund are Paul Whitney, chief executive officer; Barry Southcott, managing director-marketable securities; Robin Hall, managing director-venture capital; and Robert Juddery, managing director-real estate.

British Gas Pension Funds

	(U.S. $ millions)
Total pension assets	9,519
U.S. stocks	495
U.S. real estate	99
Internally managed assets	9,081
Asset mix:	
Domestic stocks	52.4%
Domestic bonds	12.8%
Cash equivalents	6.1%
Foreign stocks	19.4%
Foreign bonds	0.7%
Domestic real estate	7.5%
Foreign real estate	1.1%

LONDON — The British Gas Pension Funds had $9.519 billion (U.S.) in assets as of Dec. 31. Of the total, 71.8% was in stocks, 13.5% in bonds, 8.6% in real estate and 6.1% in cash.

External money managers are: Nomura; Fleming; Weatherall Green &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Smith; and Stiles Harold Williams. Lazard Investors is the fund's adviser.

Key personnel overseeing the pension fund are Roy Peters, head of pension fund investments, and David Stuart, deputy investment manager.

British Petroleum Pension Fund

	(U.S. $ millions)
Total pension assets	7,505
U.S. stocks	541
U.S. real estate	81
Internally managed assets	7,505
Asset mix	
Domestic stocks	46%
Domestic bonds	5%
Cash equivalents	4%
Foreign stocks	24%
Domestic real estate	20%
Foreign real estate	1%

LONDON — The British Petroleum Pension Fund had $7.505 billion (U.S.) in assets as of Dec. 31. Of the total, 70% was in stocks, 21% in real estate, 5% in bonds and 4% in cash.

The fund does not use external money managers or investment management consultants.

J.W. Martin is head of investments.

British Rail Pension Trustee Co. Ltd.

	(U.S. $ millions)
Total pension assets	12,105
U.S. stocks	968
U.S. real estate	218
Internally managed assets	300
Asset mix	
Domestic stocks	50%
Domestic bonds	2.5%
Cash equivalents	5%
Foreign stocks	25%
Foreign bonds	2.5%
Domestic real estate	10%
Foreign real estate	2%
Other	3%

LONDON — British Rail Pension Trustee Co. Ltd. had about $12.1 billion (U.S) in assets as of Dec. 31. Of that, 75% was in stocks, 5% in bonds, 12% in real estate, 5% in cash, 2% in venture capital and 1% in art.

External money managers are: Mercury Asset Management; Morgan Grenfell Investment Services Ltd.; Phillips & Drew Fund Management Ltd.; Prudential Assurance Co. Ltd.; and Robert Fleming Holdings Ltd., all of London.

The fund considers asset allocation decisions and money manager selections to be internal functions.

Key personnel are Maurice Stonefrost, chief executive, and David Adams, finance director.

British Steel PLC Pension Schemes

	(U.S. $ millions)
Total pension assets	6,530
Asset mix	
Domestic stocks	52.1%
Domestic bonds	11.1%
Cash equivalents	4%
Foreign stocks	15.3%
Domestic real estate	13.3%
Other	4.2%

LONDON — British Steel PLC Pension Schemes had $6.53 billion (U.S.) in assets as of Dec. 31, according to the 1990 edition of Pension Funds and Their Advisers.

Of that, 67.4% is in stocks, 11.1% in bonds, 4% in cash, 13.3% in real estate and 4.2% in indexed-linked gilts.

Key personnel are J. Brotherick, manager-pension administration, and Paul E. Oldhum, investment manager.

British Telecommunications Staff Superannuation Scheme

	(U.S. $ millions)
Total pension assets	19,826
U.S. stocks	999
U.S. real estate	301
Internally managed assets	17,752
Indexed assets	
Domestic stocks	8,550
Foreign stocks	1,216
Asset mix	
Domestic stocks	51%
Domestic bonds	14%
Cash equivalents	2%
Foreign stocks	12%
Foreign bonds	1%
Domestic real estate	17%
Foreign real estate	3%

LONDON — British Telecommunications Staff Superannuation Scheme had $19.826 billion (U.S.) in assets as of Dec. 31. Of the total, 63% was in stocks, 20% in real estate, 15% in bonds and 2% in cash equivalents.

PosTel Investment Management Ltd., an investment management subsidiary of the post office and telecommunications funds, internally manages the bulk of the assets. External managers are Mercury Asset Management; Schroder Investment Management; and Merrill Lynch Canada.

Asset allocation and money manager selection are done internally.

Overseeing the investment management are Andrew R. Threadgold, chief executive; J. Stubbs, deputy director-U.K. equities; F.J. Reeder, director of property; A. Ormrod, director of economics and strategy; and C. Dreyfus, deputy director-overseas equities. All are with PosTel.

Caisse de Depot et Placement du Quebec

	(U.S. $ millions)
Total pension assets	20,200
U.S. stocks	807
U.S. bonds	753
Internally managed assets	19,190
Indexed assets	

P&I/InterSec World 300

Continued from page 21

93.	Mass. Teachers/Empl.	U.S.	6,650
94.	Hughes Aircraft	U.S.	6,572
95.	Nat'l Westminster Bank	U.K.	6,537
96.	British Steel	U.K.	6,530
97.	Shell	U.K.	6,156
98.	British Air	U.K.	6,133
99.	Deutscher Bank	W. Germany	6,100
100.	Prudential Insurance	U.S.	6,042
101.	General Dynamics	U.S.	6,000
102.	Texas Employees	U.S.	5,969
103.	Canadian Nat'l Rail	Canada	5,939
104.	Westinghouse Electric	U.S.	5,828
105.	Commonwealth Banking	Australia	5,700
106.	Lloyds Bank	U.K.	5,500
107.	Chrysler	U.S.	5,467
108.	Missouri Public Schools	U.S.	5,328
109.	UMWA	U.S.	5,300
110.	Bell Canada	Canada	5,200
111.	Lonmodagemes Dyrtids.	Denmark	5,100
112.	Unisys	U.S.	5,022
113.	Tokyo Mutual Benefit	Japan	4,990
114.	Procter & Gamble	U.S.	4,970
115.	Iowa Public Employees	U.S.	4,900
116.	Metaalindustrie BPF	Netherlands	4,800
117.	Caterpillar	U.S.	4,779
118.	SFIT	Australia	4,600
119.	Amoco	U.S.	4,581
120.	Mobil Oil	U.S.	4,560
121.	Metaalnijverheid BPF	Netherlands	4,500
122.	Hospitals of Ontario	Canada	4,400
123.	Nederlandse Spoorwegen	Netherlands	4,400
124.	Illinois Municipal	U.S.	4,326
125.	Fed. Retirement Thrift	U.S.	4,319
126.	Bayerische	W. Germany	4,300
127.	Monsanto	U.S.	4,300
128.	Pacific Gas & Electric	U.S.	4,259
129.	Unilever	U.K.	4,200
130.	Mississippi Employees	U.S.	4,129
131.	Alaska Retirement	U.S.	4,124
132.	RJR Nabisco	U.S.	4,100
133.	Hawaii Employees	U.S.	4,051
134.	Delta Air Lines	U.S.	4,050
135.	American Airlines	U.S.	4,000
136.	Lucas Industries	U.K.	4,000
137.	Midland Bank	U.K.	4,000
138.	Bouwnijverheid BPF	Netherlands	3,939
139.	San Francisco	U.S.	3,916
140.	Utah State	U.S.	3,906
141.	Migros	Switzerland	3,900
142.	Strathclyde Regional	U.K.	3,900
143.	Illinois State Universities	U.S.	3,845
144.	Canton of Zurich	Switzerland	3,800
145.	Water Authorities	U.K.	3,800
146.	British Broadcasting	U.K.	3,700
147.	Greater Manchester	U.K.	3,700
148.	Merchant Navy	U.K.	3,700
149.	United Airlines	U.S.	3,700
150.	Kansas Employees	U.S.	3,692
151.	Nat'l Elec. Contractors	U.S.	3,675
152.	Northrop	U.S.	3,623
153.	British Aerospace	U.K.	3,600
154.	UNIRS	France	3,600
155.	Detroit City	U.S.	3,587
156.	United Methodist	U.S.	3,566
157.	Atlantic Richfield	U.S.	3,541
158.	Chicago Teachers	U.S.	3,502
159.	All Japan Mutual Credit	Japan	3,500
160.	Canadian Pacific	Canada	3,500
161.	General Electric	U.K.	3,500
162.	Ontario Hydro	Canada	3,500
163.	3M	U.S.	3,490
164.	L.A. Fire & Police	U.S.	3,477
165.	Kentucky Teachers	U.S.	3,461
166.	Georgia Employees	U.S.	3,458
167.	Xerox	U.S.	3,405
168.	Prudential	U.K.	3,400
169.	Metropolitan Life	U.S.	3,393
170.	J.C. Penney	U.S.	3,308
171.	Baugewerbe ZVK	W. Germany	3,300
172.	Bayer AG	W. Germany	3,300
173.	City of Zurich	Switzerland	3,300
174.	Ford Motor	U.K.	3,300
175.	KLM	Netherlands	3,300
176.	World Bank	U.S.	3,292
177.	Louisiana Teachers	U.S.	3,265
178.	Nevada Employees	U.S.	3,236
179.	Martin Marietta	U.S.	3,201
180.	Alcoa	U.S.	3,200
181.	Kentucky Retirement	U.S.	3,200
182.	Texaco	U.S.	3,200
183.	Illinois State Board	U.S.	3,173
184.	Grumman	U.S.	3,170
185.	Bethlehem Steel	U.S.	3,155
186.	Textron	U.S.	3,121
187.	Grafische BPF	Netherlands	3,100
188.	SBB	Switzerland	3,100
189.	Southern Co.	U.S.	3,100
190.	West Midlands Met.	U.K.	3,100
191.	TRW Investment Mgmt.	U.S.	3,096
192.	TVA	U.S.	3,090
193.	State Farm Insurance	U.S.	3,083
194.	Ohio Police & Firemen	U.S.	3,070
195.	Raytheon	U.S.	3,050
196.	Consolidated Edison	U.S.	2,962
197.	Honeywell	U.S.	2,909
198.	Tenneco	U.S.	2,877
199.	Indiana Employees	U.S.	2,817
200.	Ohio School Employees	U.S.	2,817
201.	Hoechst AG	W. Germany	2,800
202.	Hydro Quebec	Canada	2,800
203.	London Regional Trans.	U.K.	2,800
204.	West Yorkshire	U.K.	2,800
205.	Massachusetts PRIM	U.S.	2,791
206.	Deere & Co.	U.S.	2,720
207.	Int'l Paper	U.S.	2,709
208.	Aetna	U.S.	2,703
209.	Dow Chemical	U.S.	2,700
210.	IBM Deutschland	W. Germany	2,700
211.	Union Carbide	U.S.	2,693
212.	Owens-Illinois	U.S.	2,644
213.	Southern Baptist	U.S.	2,559
214.	Air Canada	Canada	2,500
215.	Akzo	Netherlands	2,500
216.	Coop Schweiz	Switzerland	2,500
217.	Sulzer Brothers	Switzerland	2,500
218.	ITT	U.S.	2,497
219.	Los Angeles City	U.S.	2,497
220.	Trans World Airlines	U.S.	2,470
221.	Eli Lilly	U.S.	2,432
222.	Eastern Airlines	U.S.	2,410
223.	Hoogovens	Netherlands	2,400
224.	London Residuary Body	U.K.	2,400
225.	Presbyterian Church	U.S.	2,400
226.	TSB Group	U.K.	2,400
227.	Southern Calif. Edison	U.S.	2,380
228.	Nat'l Rural Elec. Co-op	U.S.	2,304
229.	Rhode Island	U.S.	2,300
230.	SSIH	Switzerland	2,300
231.	Halliburton	U.S.	2,270
232.	Louisiana State	U.S.	2,250
233.	Phillips Petroleum	U.S.	2,250
234.	Hospital/Healthcare	U.S.	2,241
235.	BP America	U.S.	2,218
236.	Hitachi	Japan	2,200
237.	IBM	U.K.	2,200
238.	Matsushita Electric	Japan	2,200
239.	Onderling BPF	Netherlands	2,200
240.	Rolls-Royce	U.K.	2,200
241.	Texas Municipal	U.S.	2,200
242.	Bakery & Confectionery	U.S.	2,175
243.	Arkansas Teachers	U.S.	2,166
244.	Commonwealth Edison	U.S.	2,161
245.	Op. Engineers, Central	U.S.	2,159
246.	Armco	U.S.	2,156
247.	Southern Calif. UFCW	U.S.	2,133
248.	Boilermaker Blacksmith	U.S.	2,132
249.	Allied-Lyons	U.K.	2,100
250.	BTR	U.K.	2,100
251.	Unilever	Netherlands	2,100
252.	Travelers	U.S.	2,075
253.	Navistar	U.S.	2,058
254.	Citicorp	U.S.	2,056
255.	Inland Steel	U.S.	2,041
256.	Motorola	U.S.	2,017
257.	Ansett	Australia	2,000
258.	General Motors Canada	Canada	2,000
259.	Merseyside County	U.K.	2,000
260.	Sun Alliance Insurance	U.K.	2,000
261.	Texas County & District	U.S.	2,000
262.	Toshiba	Japan	2,000
263.	Oklahoma Teachers	U.S.	1,968
264.	FPL Group	U.S.	1,963
265.	Abbott Laboratories	U.S.	1,923
266.	S. New England Tel.	U.S.	1,912
267.	BASF	W. Germany	1,900
268.	Central Electricity	Switzerland	1,900
269.	CIBA-GEIGY	Switzerland	1,900
270.	Imperial Group	U.K.	1,900
271.	Koopvaardij BPF	Netherlands	1,900
272.	Mijnwerkers (Limburg)	Netherlands	1,900
273.	PTT Nederland	Netherlands	1,900
274.	Thorn EMI	U.K.	1,900
275.	New Mexico Educational	U.S.	1,890
276.	American Stores	U.S.	1,882
277.	PPG Industries	U.S.	1,880
278.	Chicago Municipal	U.S.	1,845
279.	Episcopal Church	U.S.	1,837
280.	United Parcel	U.S.	1,802
281.	C.R.P.N.C.P.	France	1,800
282.	DSM	Netherlands	1,800
283.	L.A. Water & Power	U.S.	1,800
284.	Maine State	U.S.	1,800
285.	New Mexico Employees	U.S.	1,800
286.	Philips	U.K.	1,800
287.	American Electric Power	U.S.	1,789
288.	Evang. Lutheran Church	U.S.	1,782
289.	CIGNA	U.S.	1,775
290.	K mart	U.S.	1,775
291.	Philadelphia City	U.S.	1,754
292.	Hercules	U.S.	1,752
293.	New York Life	U.S.	1,749
294.	Digital Equipment	U.S.	1,742
295.	GenCorp	U.S.	1,719
296.	Canadian Broadcasting	Canada	1,700
297.	Civil Aviation Authority	U.K.	1,700
298.	Cooper Industries	U.S.	1,700
299.	Huisartsen BPF	Netherlands	1,700
300.	Indiana Teachers	U.S.	1,700

Foreign stocks	1.090
Asset mix	
Domestic stocks	27.1%
Domestic bonds	45.3%
Cash equivalents	5%
Foreign stocks	7.8%
Foreign bonds	5.3%
Domestic real estate	4.5%
Other	5%

MONTREAL — Caisse de Depot et Placement du Quebec has $20.2 billion (U.S.) in assets as of Dec. 31. Of that, 34.9% was in stocks, 50.6% in bonds, 4.5% in domestic real estate, 5% in cash equivalents and 5% in mortgages.

Some 95% of assets are managed internally. Outside money managers are State Street Bank and Trust Co.; HD International Ltd.; Dunedin Fund Managers Ltd.; and Warburg Investment Management International Ltd.

Key personnel overseeing the fund are Vice Presidents Michel Nadeau, planning and relations with depositors and variable income; Claude Ferland, fixed income; Daniel Paille, corporate investments; and Jean-Claude Scraire, legal and corporate affairs.

Canadian National Railway

	(U.S. $ millions)
Total pension assets	5,939
U.S. stocks	238
Internally managed assets	5,701
Asset mix	
Domestic stocks	32%
Domestic bonds	41%
Cash equivalents	3%
Foreign stocks	10%
Domestic real estate	10%
Other	4%

MONTREAL — The Canadian National Railway Co. had $5.939 billion (U.S.) in assets as of Dec. 31. Of that, 42% was in stocks, 41% in bonds, 3% in cash, 10% in real estate, 3% in oil and gas and 1% in private corporations.

Fund officials will not disclose outside money managers.

All asset allocation and money manager selection is handled by the internal staff.

Tullio Cedraschi is president and chief investment officer.

Electricity Supply Pension Scheme

	(U.S. $ millions)
Total pension assets	12,541
Asset mix	
Domestic stocks	47%
Domestic bonds	10.7%
Cash equivalents	4.9%
Foreign stocks	19.8%
Foreign bonds	0.1%
Domestic real estate	10.8%
Foreign real estate	1.8%
Other	4.9%

LONDON — The Electricity Supply Pension Scheme had $12.541 billion in assets as of Dec. 31, according to the 1990 edition of Pension Funds and Their Advisers. Of the total, 66.8% was in stocks, 10.8% in bonds, 12.6% in real estate, 4.9% in cash, 3.1% in index-linked gilts, 0.4% in agriculture and 1.4% in other.

According to Pension Funds and Their Advisers, the fund uses outside managers Debenham, Tewson and Chinnocks Ltd., international real estate; Lazard Securities Ltd., investment adviser-securities; Jones Lang Wootton, real estate valuer; and Schroder Investment Management Ltd., investment adviser for strategy.

Key personnel overseeing the fund are M.B. Cannan, chief executive; T.M. Bell, investment manager-properties; and R.J.M. Gibson, investment manager-securities.

Federation of National Public Service Affiliated Personnel Mutual Aid Association

	(U.S. $ millions)
Total pension assets	38,280
Asset mix	
Long-term loans	17.9%
Bonds	14.7%
Government deposits	30.4%
Life insurance deposits	13.4%
Long-term trust bank deposits	9.5%
Other bank deposits	7.3%
Real estate	6.8%

TOKYO — The Federation of National Public Service Affiliated Personnel Mutual Aid Association had $38.28 billion (U.S.) in assets as of March 1989, according to the Japan Bond Research Institute. The Japan Pension Fund Association provided the asset mix figures above.

The fund uses domestic trusts banks and domestic life insurance companies as external money managers.

Imperial Chemical Industries

	(U.S. $ millions)
Total pension assets	8,070
U.S. stocks	533
U.S. real estate	13
Internally managed assets	7,909
Asset mix	
Domestic stocks	53%
Domestic bonds	11%
Cash equivalents	5%
Foreign stocks	13%
Foreign bonds	1%
Domestic real estate	14%
Foreign real estate	1%
Other	2%

LONDON — The Imperial Chemical Industries PLC pension fund had assets of $8.07 billion (U.S.) as of Dec. 31. Of that, 66% was in stocks, 12% in bonds, 5% in cash, 15% in real estate and 2% in unlisted equity.

All but 2% of assets are managed internally; the remainder is invested in mutual funds. Manager selection and asset allocation are done in-house.

Tom Heyes, managing director of ICI Investment Management Ltd., is the key person overseeing the funds.

Japan Mutual Aid Association of Public School Teachers

	(U.S. $ millio
Total pension assets	48,9
Asset mix	
Long-term loans	28.
Bonds	21.
Government deposits	27.
Life insurance company deposits	5.
Long-term trust bank deposits	5.
Other bank deposits	10.

TOKYO — The Japan Mutual A Association of Public School Teache had $48.969 billion as of March 198 according to the Japan Bond Resear Institute. The asset mix cited abo was provided by the Japan Pensi Fund Association.

External managers are: IBJ Inves ment Management, DKB Investme Management, LTCB Investment Ma agement and Fuji Bank Investme Management.

National Westminster Bank Pension and Widows' and Orphans' Funds

	(U.S. $ millio
Total pension assets	6,5
Asset mix	
Domestic stocks	55.
Domestic bonds	7.
Cash equivalents	6.
Foreign stocks	17.
Foreign bonds	0.
Domestic real estate	10.
Other	

SURREY, England — The Natior Westminster Bank Pension a Widows' and Orphans' Pension Fun had $6.537 billion (U.S.) in assets of Dec. 31, according to the 1990 e tion of Pension Funds and Their A visers. Of that, 73.4% was in stock 7.9% in bonds, 10.2% in real esta 6.5% in cash and 2% in index-link gilts.

The fund uses R.W. Watson & So as pension fund consultant.

Key personnel overseeing the pe sion fund are J.M. Birkett, group pe sion manager, and M.N. Whatle manager-pension fund office.

State Authorities Superannuation Board of New South Wales

	(U.S. $ millio
Total pension assets	7,9
Internally managed assets	6,
Indexed assets	
Domestic stocks	
Foreign stocks	
Asset mix	
Domestic stocks	3
Domestic bonds	1
Cash equivalents	
Foreign stocks	1
Domestic real estate	3

SYDNEY, Australia — The Sta Authorities Superannuation Board New South Wales had $7.938 billi (U.S.) in assets as of Dec. 31. Of th 45% was in stocks, 18% in bond 32% in real estate and 5% in cash.

Fund officials declined to ident outside money managers.

Frank Russell Co. is one of t fund's consultants.

Gregory Bunbury is president a chief executive officer.

Ontario Municipal Employees Retirement System

	(U.S. $ millio
Total pension assets	10,0
Asset mix	
Domestic stocks	4
Domestic bonds	2
Cash equivalents	
Foreign stocks	1
Domestic real estate	
Other	1
U.S. stocks	
Internally managed assets	9,9
Indexed assets	
Domestic stocks	

TORONTO — The Ontario Muni pal Employees Retirement System h $10.621 billion as of Dec. 31. Of th 54% was in stocks, 21% in bonds, 5 in cash, 5% in real estate and 15% mortgages.

The fund uses three global exter

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managers, which officials wouldn't identify, and makes all asset allocation and money manager selection decisions in-house.

Key personnel overseeing the fund are Robert Sillcox, director of investments, and Doug Greaves, associate director.

Pensioenfonds PGGM

	(U.S. $ millions)
Total pension assets	19,287
U.S. stocks	943
U.S. bonds	105
U.S. real estate	943
Internally managed assets	9,486
Indexed assets:	
Domestic stocks	181
Foreign stocks	1,782
Asset mix:	
Domestic stocks	3%
Domestic bonds	60.4%
Cash equivalents	0.5%
Foreign stocks	14.4%
Foreign bonds	3.8%
Domestic real estate	6.9%
Foreign real estate	10.6%
Other	0.4%

ZEIST, Netherlands — Pensioenfonds PGGM (Pension Funds for Health, Mental & Social Welfare) had $19.287 billion (U.S.) in assets as of Dec. 31. Of that, 17.4% was in stocks, 64.2% in bonds, 17.5% in real estate, 0.5% in cash and 0.4% in venture capital.

The fund declined to name its external investment managers.

Key personnel overseeing the fund are D.J. de Beus, chairman of the board and managing director; M.T. Kooistra, managing director-investments; and P.S. van de Berg, managing director-financial affairs.

Philips Pension Funds

	(U.S. $ millions)
Total pension assets	9,434
U.S. stocks	800
U.S. bonds	100
U.S. real estate	180
Internally managed assets	9,057
Indexed assets:	
Foreign stocks	135
Asset mix:	
Domestic stocks	7%
Domestic bonds	20%
Cash equivalents	1%
Foreign stocks	21%
Foreign bonds	4%
Domestic real estate	12%
Foreign real estate	4%
Other	31%

EINDHOVEN, Netherlands — Philips Pension Funds had $9.434 billion (U.S.) in assets as of Dec. 31. Of that, 28% was in stock, 24% in bonds, 16% in real estate, 1% in cash, 24% in private loans and 7% in mortgages.

The fund's outside money managers are: G.T. Capital Management; Jardine Fleming; J.P. Morgan; and Morgan Grenfell.

Key personnel overseeing the pension fund are A.D.J. van Riel, general manager; J. van der Vliet, investment manager; W. Frencken, head of real estate; F. Hendriks, head of equities; and R. van Driel, head of bonds and private loans.

Post Office Staff Superannuation Scheme

	(U.S. $ millions)
Total pension assets	12,951
U.S. stocks	628
U.S. real estate	195
Internally managed assets	11,554
Indexed assets:	
Domestic stocks	5,463
Foreign stocks	768
Asset mix:	
Domestic stocks	51%
Domestic bonds	14%
Cash equivalents	2%
Foreign stocks	12%
Foreign bonds	1%
Domestic real estate	17%
Foreign real estate	3%

LONDON — The Post Office Staff Superannuation Scheme had $12.951 billion (U.S.) in assets as of Dec. 31. Of the total, 63% was in stocks, 20% in real estate, 15% in bonds and 2% in cash equivalents.

External managers are Mercury Asset Management; Schroder Investment Management; and Merrill Lynch Canada. Most of the assets are managed internally, by Postel Investment Management Ltd., the investment management subsidiary for the post office and telecommunications funds.

Asset allocation and money manager selection are handled internally.

Overseeing the investment management of the fund are Andrew Threadgold, chief executive; J. Stubbs, deputy director-U.K. equities; F.J. Reeder, director of property; A. Ormrod, director of economics and strategy; and C. Dreyfus, deputy director-overseas equities. All are with PosTel.

Public Service Superannuation Account

	(U.S. $ millions)
Total pension assets	$26,423
Asset mix:	
Cash equivalents	100%
Internally managed assets	$26,423

OTTAWA — The Public Service Superannuation Account had $26.423 billion in assets as of Dec. 31. All assets were in cash. The fund uses no external managers or advisers.

Sharon Hamilton is acting director of the pensions division of the Treasury Board.

Shell Contributory Pension Fund

	(U.S. $ millions)
Total pension assets	6,156
Asset mix:	
Domestic stocks	41.4%
Domestic bonds	8.1%
Cash & deposits	2.3%
Foreign stocks	19.5%
Domestic real estate	15.3%
Foreign real estate	5.2%
Other	8.2%

LONDON — The Shell Contributory Pension Fund has $6.156 billion (U.S.) in assets, according to the 1990 edition of Pension Funds and Their Advisers. Of the total, 60.9% was in stocks, 20.5% in real estate, 8.2% in index-linked gilts, 8.1% in bonds and 2.3% in cash and deposits.

Shell International Petroleum Co. Ltd. is adviser for asset allocation and manager selection.

R.N. Gaskell is pension fund investment manager.

Stichting Shell Pensioenfonds

	(U.S. $ millions)
Total pension assets	7,233
U.S. investments	943
Internally managed assets	7,233
Asset mix:	
Domestic stocks	16%
Domestic bonds	30%
Foreign stocks	25%
Foreign bonds	11%
Domestic real estate	11%
Foreign real estate	7%

THE HAGUE, Netherlands — Stichting Shell Pensioenfonds had $7.233 billion (U.S.) in assets as of Dec. 31. Of that, 41% was in stock, 41% in bonds and 18% in real estate.

All assets are managed internally.

The board of trustees oversees the pension fund.

Universities Superannuation Scheme

	(U.S. $ millions)
Total pension assets	8,100
Asset mix:	
Domestic stocks	44.9%
Domestic bonds	7%
Cash equivalents	5%
Foreign stocks	15.9%
Foreign bonds	0.1%
Domestic real estate	15%
Foreign real estate	0.6%
Other	11.5%

LIVERPOOL, England — Universities Superannuation Scheme had $8.1 billion (U.S.) in assets as of Dec. 31, according to Pension Funds and Their Advisers. Of that, 60.8% was in stocks, 7.1% in bonds, 15.6% in real estate, 5% in cash, 10% in individual life policies; and 1.5% in managed fund investments.

The fund uses Jones Lang Wootton as a real estate adviser.

Key personnel overseeing the fund are D. Hobson, general manager-pensions, and Jack Spink, general manager-investments.

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†The F. Russell Universe consists of 123 portfolios and the WM Universe consists of 104 portfolios. All portfolios reflected in both universes are invested in the international equity market (i.e., Europe and the Far East).

*DRIAM's performance reflects the results of its first international equity portfolio, which was the only account of this type managed by DRIAM during the full measurement period of April 1987 through March 1990. DRIAM's results have been calculated after the deduction of advisory fees and other transaction costs, and reflect the reinvestment of dividends and other earnings.

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Global

Continued from page 21

"It gives you an overview that you don't have with passive management," she said. "Active management may play a greater role in assessing the effects of the barriers to (markets) integration by analyzing the risks inherent in investing overseas."

Mr. Nowakowski said that overview is now being kept in many instances by the pension fund instead of the investment manager.

The trend of pension funds choosing regional and country mandates has accomplished that. "The pension fund is making the critical country allocation cut," he said.

Among the leaders in the *P&I* survey, Brinson Partners and Capital Guardian Trust Co., Los Angeles, swapped second and third places from last year's ranking.

Baring International Investment Ltd., London, jumped to fourth place from seventh, while Batterymarch Financial Management, Boston, dropped to 10th from fourth. ■

A

Acadian Asset Management

260 Franklin St., Boston, Mass. 02110; (617) 439-6141

Total assets managed	$1,100,000,000
Non-U.S. pension assets	$60,000,000
U.S. tax-exempt assets managed	
Total	$1,040,000,000
International	$1,010,000,000
Equity accounts	$1,010,000,000
Global	$30,000,000
Equity accounts	$30,000,000
Minimum separate account	$25,000,000

Acadian Asset Management Inc.'s international equity assets were committed most heavily to Japan, Singapore, West Germany, the U.K. and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, Singapore, Italy and the U.K.

Of the U.S. institutional tax-exempt assets invested abroad, $876 million is managed actively and $164 million is managed in active/passive programs.

Analysts or portfolio managers are stationed in Boston.

The firm applies a multifactor, structured and disciplined valuation technique to a broad universe of countries and individual securities to achieve the highest possible value-added per unit of risk.

The firm, a subsidiary of Acadian Financial Research Inc., has been registered with the SEC since 1986.

Gary L. Bergstrom is chief investment officer; Churchill G. Franklin is client contact.

Alliance Capital Management L.P.

1345 Avenue of the Americas, New York, N.Y. 10105; (212) 969-1000

Total assets managed	$43,873,000,000
Non-U.S. pension assets	$3,068,000,000
U.S. tax-exempt assets managed	
Total	$24,958,000,000
International	$1,048,000,000
Equity accounts	$1,048,000,000
Global	$443,000,000
Equity accounts	$76,000,000
Bond accounts	$367,000,000
Minimum separate account	$10,000,000

Alliance Capital Management L.P.'s international equity assets were committed most heavily to Japan, West Germany, the U.K., Canada and the Netherlands as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., West Germany, Japan, the Netherlands and the U.K.

Of the U.S. institutional tax-exempt assets invested abroad, $1.124 billion is managed actively and $367 million passively.

Analysts or portfolio managers are stationed in New York, Minneapolis, Cleveland, San Francisco; London, Tokyo and Madrid.

The firm's stock selection process combines creativity and discipline, with the objective of identifying markets, industries and companies with superior relative 2 to 3 years' earnings growth, and to invest sufficiently early when valuations are reasonable.

The firm has been registered with the SEC since 1971.

Dave H. Williams is chief investment officer; Carol A. Zipkin is client contact.

ANB Investment Management Co.

1 N. LaSalle St., Suite 600, Chicago, Ill. 60690; (312) 661-5866

Total assets managed	$11,874,000,000
U.S. tax-exempt assets managed	
Total	$10,774,000,000
International	$307,000,000
Equity accounts	$307,000,000

ANB Investment Management Co.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed passively.

Analysts or portfolio managers are stationed in Chicago.

The firm uses a passive approach that seeks to replicate the risk and return characteristics of the EAFE index.

The firm is a subsidiary of American National Bank.

Jack Tilton is chief investment officer; Ken Sobolewski is client contact.

Arnhold & S. Bleichroeder International

45 Broadway, New York, N.Y. 10006; (212) 943-9200

Total assets managed	$450,000,000
U.S. tax-exempt assets managed	
Total	$450,000,000
International	$450,000,000
Equity accounts	$450,000,000
Minimum separate account	$5,000,000

Arnhold & S. Bleichroeder International's international equity assets were committed most heavily to the U.K., West Germany, Australia, Italy and Switzerland as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York.

The firm concentrates on stock selection, stressing special situations with high value.

The firm, a subsidiary of Arnhold & S. Bleichroeder Inc., has been registered with the SEC since 1975.

Howard B. Moss is chief investment officer; Fred Reynolds is client contact.

Axe Core Investors

400 Benedict Ave., Tarrytown, N.Y. 10591; (914) 333-5222

Total assets managed	$815,000,000
U.S. tax-exempt assets managed	
Total	$772,000,000
International	$295,000,000
Equity accounts	$295,000,000
Minimum separate account	$10,000,000

Axe Core Investors' international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Italy as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed passively.

Analysts or portfolio managers are stationed in Tarrytown, N.Y.

The firm manages a condensed portfolio of 150 issues screened for liquidity, purchased in the local foreign markets and designed to track the EAFE index. All trades are then converted into American depository receipts.

The firm, a subsidiary of Axe-Houghton/USF&G, has been registered with the SEC since 1984.

Robert A. Windsor is chief investment officer; Brian J. Harris is client contact.

B

Julius Baer Investment Management Inc.

330 Madison Ave., New York, N.Y. 10017; (212) 949-9055

Total assets managed	$740,000,000
Non-U.S. pension assets	$36,000,000
U.S. tax-exempt assets managed	
Total	$704,000,000
International	$676,000,000
Equity accounts	$24,000,000
Bond accounts	$635,000,000
Balanced	$17,000,000
Global	$28,000,000
Bond accounts	$28,000,000
Minimum separate account	$10,000,000

Julius Baer Investment Management Inc.'s international equity assets were committed most heavily to Japan, the U.K., France, West Germany, the Netherlands and Switzerland, as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Zurich, London, New York, Frankfurt and Tokyo.

The investment policy is characterized by active country and currency allocation as well as active maturity management. Allocation decisions are based on fundamental economic research, concentrating on top-quality issuers in strong, stable coun-

es. Its portfolios primarily are composed of gov-rnment and government-agency issues, with an A minimum requirement for corporate issues.
The firm, a subsidiary of Bank Julius Baer, been egistered with the SEC since 1983.
Peter J. Widmer is chief investment officer; Jay A irnberger is client contact.

Bankers Trust Investment Management

280 Park Ave., Suite 600, New York, N.Y. 10017; (212) 850-4057

otal assets managed	$94,300,000,000
on-U.S. pension assets	$3,920,000,000
S. tax-exempt assets managed	
Total	$85,581,000,000
International	$1,538,000,000
Equity accounts	$1,528,000,000
Bond accounts	$10,000,000
Global	$127,000,000
Bond accounts	$127,000,000
Minimum separate account	$10,000,000

Bankers Trust Investment Management's interna-onal equity assets were committed most heavily to apan, West Germany, the U.K., France and Singa-ore Malaysia as of March 31.
Of the U.S. institutional tax-exempt assets in-ested abroad, $665 million is managed actively and $1 billion passively.
Analysts or portfolio managers are stationed in London, Tokyo, New York, Sydney, Zurich and Hong Kong.
The firm's active international equity investment approach is top-down and sector-driven, incorporating both fundamental and quantitative disciplines. Regional specialist portfolio teams interpret key investment themes in the context of each market's characteristics.
The firm, a subsidiary of Bankers Trust Co., has been registered with the SEC since 1982.
H. Kent Atkins is chief investment officer; Laurie Oat is client contact.

Baring International Investment

155 Bishopsgate, London EC2M 3XY, U.K.; 071-628-6000

Total assets managed	$4,088,000,000
Non-U.S. pension assets	$482,000,000
U.S. tax-exempt assets managed	
Total	$3,606,000,000
International	$3,606,000,000
Equity accounts	$2,482,000,000
Bond accounts	$1,124,000,000
Minimum separate account	$25,000,000

Baring International Investment's international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.
Of the U.S. institutional tax-exempt assets invested abroad, $3,329 billion is managed actively and $277 million in active/passive strategies.
Analysts or portfolio managers are stationed in London, Tokyo, Hong Kong and Seoul.
The firm offers a range of equity and fixed-income products. It will deviate significantly from the index and switch between markets, taking advantage of relative values. The firm has expertise in regional markets.
The firm, a subsidiary of Baring Asset Management, been registered with the SEC since 1980.
Peter Hartley is chief investment officer; Michael Palone is client contact at (617) 357-9074.

Batterymarch Financial Management

600 Atlantic Ave., Boston, Mass. 02210; (617) 973-9300

Total assets managed	$8,176,000,000
U.S. tax-exempt assets managed	
Total	$5,418,000,000
International	$1,476,000,000
Equity accounts	$1,476,000,000
Global	$1,225,000,000
Equity accounts	$1,225,000,000
Minimum separate account	$10,000,000

Batterymarch Financial Management's international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Canada as of March 31.
As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, the U.K. and France.
All of the U.S. institutional tax-exempt assets invested abroad are managed actively.
Analysts or portfolio managers are stationed in Boston.
The firm has created a single integrated data base of non-U.S. companies that it uses in conjunction with computer-driven strategy models to find unrecognized value. Models are designed to analyze companies both as a corporate investor would and as an institutional investor would, capturing the dominant indications. Country allocations result from the process of finding undervalued companies.
The firm has been registered with the SEC since 1969.
Dean LeBaron is chief investment officer; William H. Yankus is client contact.

BEA Associates Inc.

153 E. 53rd St., New York, N.Y. 10022; (212) 832-2626

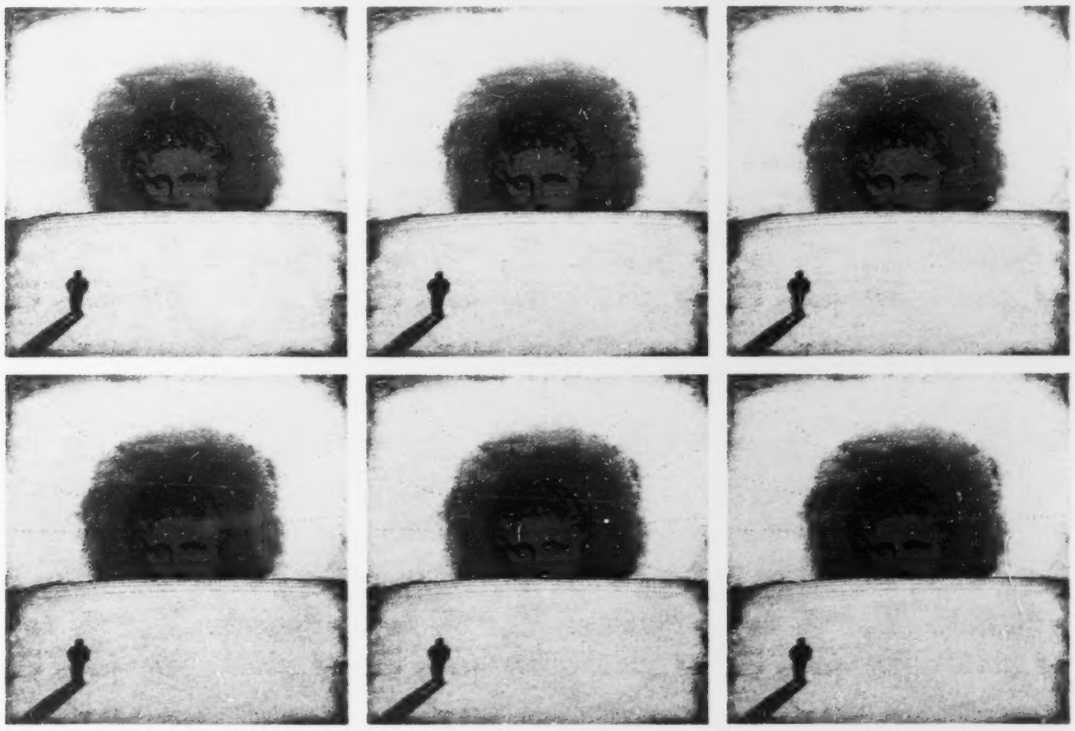
Total assets managed	$9,797,000,000

International managers ranked by combined international/global tax-exempt account assets*

	U.S. $ mils
1. State Street Bank	7,874
2. Brinson Partners	6,819
3. Capital Guardian Trust	4,441
4. Baring Int'l Investment	3,606
5. Wells Fargo Nikko	3,595
6. J.P. Morgan Investment	3,252
7. Rowe Price-Fleming Int'l	3,051
8. Schroder Capital	2,905
9. Morgan Stanley Asset	2,895
10. Batterymarch Financial	2,701
11. Morgan Grenfell Investment	2,631
12. Grantham Mayo v. Otterloo	2,603
13. Templeton Int'l	2,545
14. WorldInvest	2,319
15. Nomura Capital	2,127
16. Dimensional Fund Advisors	1,985
17. Warburg Investment	1,831
18. Oechsle Int'l Advisors	1,788
19. Bankers Trust Investment	1,665
20. Alliance Capital	1,491
21. PCM Int'l	1,429
22. Chase Investors	1,420
23. GE Investment	1,089
24. Boston Int'l Advisors	1,078
25. Acadian Asset	1,040
26. Fiduciary Trust Int'l	958
27. Scudder, Stevens & Clark	914
28. TCW Global Advisors	865
29. Hill Samuel/IA	859
30. Travelers	838
31. BEA Associates	814
32. Julius Baer Investment	704
33. Globe Finlay	683
34. IDS Int'l	665
35. Fidelity Mgmt. Trust	653
36. Capital Research & Mgmt.	606
37. Mellon-Pictet Int'l	572
38. HD Int'l	495
39. PanAgora Asset	490
40. Pacific Investment	468
41. SBC Portfolio Mgmt. Int'l	467
42. Brown Brothers Harriman**	463
43. Wellington Mgmt.	458
44. Payden & Rygel Investment	455
45. N.M. Rothschild Ir.'l	455
46. Marsh/Cunningham-Castegren	454
47. Arnhold & S. Bleichroeder Int'l	450
48. Nikko Capital	437
49. GT Capital	420
50. Daiwa Int'l Capital	388
51. Philippe Investment	385
52. County NatWest Investment	367
53. Beutel, Goodman Int'l	341
54. Citicorp Investment	336
55. INVESCO MIM	336
56. Marvin & Palmer Associates	330
57. ANB Investment	307
58. Discount Corp. of New York	300
59. Axe Core Investors	295
60. Posthorn Global Asset	282
61. Putnam	265
62. CIGNA Asset Advisers	253
63. Walter Scott	250
64. Murray Johnstone Int'l	247
65. Lombard Odier Int'l	246
66. INTECH	233
67. Smith Barney Global Capital	221
68. Massachusetts Financial	210
69. Emerging Markets Investors	207
70. Burgess Capital	203
71. Kleinwort Benson Int'l	201
72. Bessemer Trust	188
73. Martin Currie	181
74. Dunedin Fund Managers	179
75. Aetna Capital Mgmt. Int'l	174
76. Wardley Investment Services	174
77. Lazard Freres Asset	146
78. Ivory & Sime Int'l	138
79. Dillon Read Int'l	128
80. Miller, Anderson & Sherrerd	128
81. Boatmen's Trust	118
82. BZW Investment**	114
83. Brandes Investment	96
84. Lexington Mgmt.	94
85. Alan Patricof Associates	93
86. Van Eck Associates	80
87. Matuschka Group	78
88. AIG Global Investors	70
89. The Principal	60
90. Interinvest	55
91. Marathon Asset	55
92. GIM Global Advisors	44
93. Yamaichi Capital	38
94. Security Capital	35
95. Sit/Kim Int'l	35
96. Roll & Ross	30
97. Credit Suisse Asset	25
98. Baillie Gifford Overseas	16
99. NCNB National Bank	16
100. Wright Investors' Service**	16
101. Northwest Quadrant	14
102. Touche Remnant Investment	10
103. Citizens & Southern Trust**	8
104. Confederation Life Insurance	7
105. Edinburgh-Wilmington Int'l	7
106. Bee & Associates	6
107. Scimitar North American	4
108. UBS Phillips & Drew	4
Total	**91,692**

*U.S., institutional, discretionary, tax-exempt assets
**As of Dec. 31

We are what we repeatedly do. Excellence then is not an act but a habit. Aristotle



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Pensions&Investments

The newspaper of corporate and institutional investing

Non-U.S. pension assets	$67,000,000
U.S. tax-exempt assets managed:	
Total	$8,918,000,000
International	$184,000,000
Equity accounts	$184,000,000
Global	$630,000,000
Equity accounts	$630,000,000
Minimum separate account	$5,000,000

BEA Associates Inc.'s international equity assets were committed most heavily to Japan, the U.K., Thailand, West Germany and Mexico as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, Thailand, West Germany and Mexico.

Of the U.S. institutional tax-exempt assets invested abroad $764 million is managed actively and $50 million, passively.

Analysts or portfolio managers are stationed in New York.

The firm's approach is both top-down and bottom-up. The fundamental objective is to identify companies that have value not reflected in the stock price. The firm is contrarian, seeking value in mature markets as well as markets with few players or with high risk.

The firm has been registered with the SEC since 1968.

William W. Priest Jr. and Mark Arnold are chief investment officers; Paula Treneer is client contact.

Beutel, Goodman International PLC

5-6 St. Andrew's Hill, London EC4V 5BY U.K.; 071-489-0218

Total assets under management	$448,000,000
U.S. tax-exempt assets managed:	
Total	$341,000,000
International	$246,000,000
Bond accounts	$246,000,000
Global	$95,000,000
Bond accounts	$95,000,000
Minimum separate account	$10,000,000

Beutel, Goodman International PLC manages all of the U.S. institutional tax-exempt assets invested abroad in active strategies.

Analysts or portfolio managers are stationed in London.

The firm believes early identification of significant investment opportunities can be achieved most consistently through a process of relative value analysis across countries. The focus of its approach is on active country allocation in liquid markets. It principally uses the highest quality securities with maturities at the medium to long end of the market.

The firm has been registered with the SEC since 1984.

Olaf Rogge is chief investment officer. John Makowske, Fairfield Capital Associates, is client contact at (203) 254-1215.

Boston International Advisors Inc.

75 State St., Boston, Mass. 02109; (617) 345-9550

Total assets managed	$1,296,000,000
Non-U.S. pension assets	$18,000,000
U.S. tax-exempt assets managed:	
Total	$1,078,000,000
International	$1,032,000,000
Equity accounts	$1,032,000,000
Global	$46,000,000
Equity accounts	$46,000,000
Minimum separate account	$25,000,000

Boston International Advisors Inc.'s international equity assets were committed most heavily to Japan, the U.K., France, Italy and Australia as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, France, the U.K. and Canada.

Of the U.S. institutional tax-exempt assets invested abroad, $528 million is managed actively, $130 million is active/passive and $420 million, passively.

Analysts or portfolio managers are stationed in Boston.

The firm uses quantitative, value-driven techniques to allocate among world equity markets and to select stocks within markets. The firm also provides strategic currency hedging and customized index funds.

The firm has been registered with the SEC since 1987.

Lyle H. Davis is chief investment officer; Jennifer Dunning is client contact.

Brandes Investment Management

12760 High Bluff Drive, Suite 160, San Diego, Calif. 92130; (619) 755-0239

Total assets managed	$175,000,000
U.S. tax-exempt assets managed:	
Total	$98,000,000
International	$3,000,000
Equity accounts	$3,000,000
Global	$95,000,000
Equity accounts	$95,000,000
Minimum separate account	$400,000

Brandes Investment Management's international equity assets were committed most heavily to the Netherlands, Hong Kong, Canada, Sweden and West Germany as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Australia, the Netherlands, Hong Kong and West Germany.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in San Diego.

The firm uses a Graham & Dodd approach to determine intrinsic business values from a fundamental, bottom-up analysis, and seeks to make purchases at a significant discount from value.

The firm has been registered with the SEC since 1974.

Charles Brandes is chief investment officer; W. Roberts Wood is client contact.

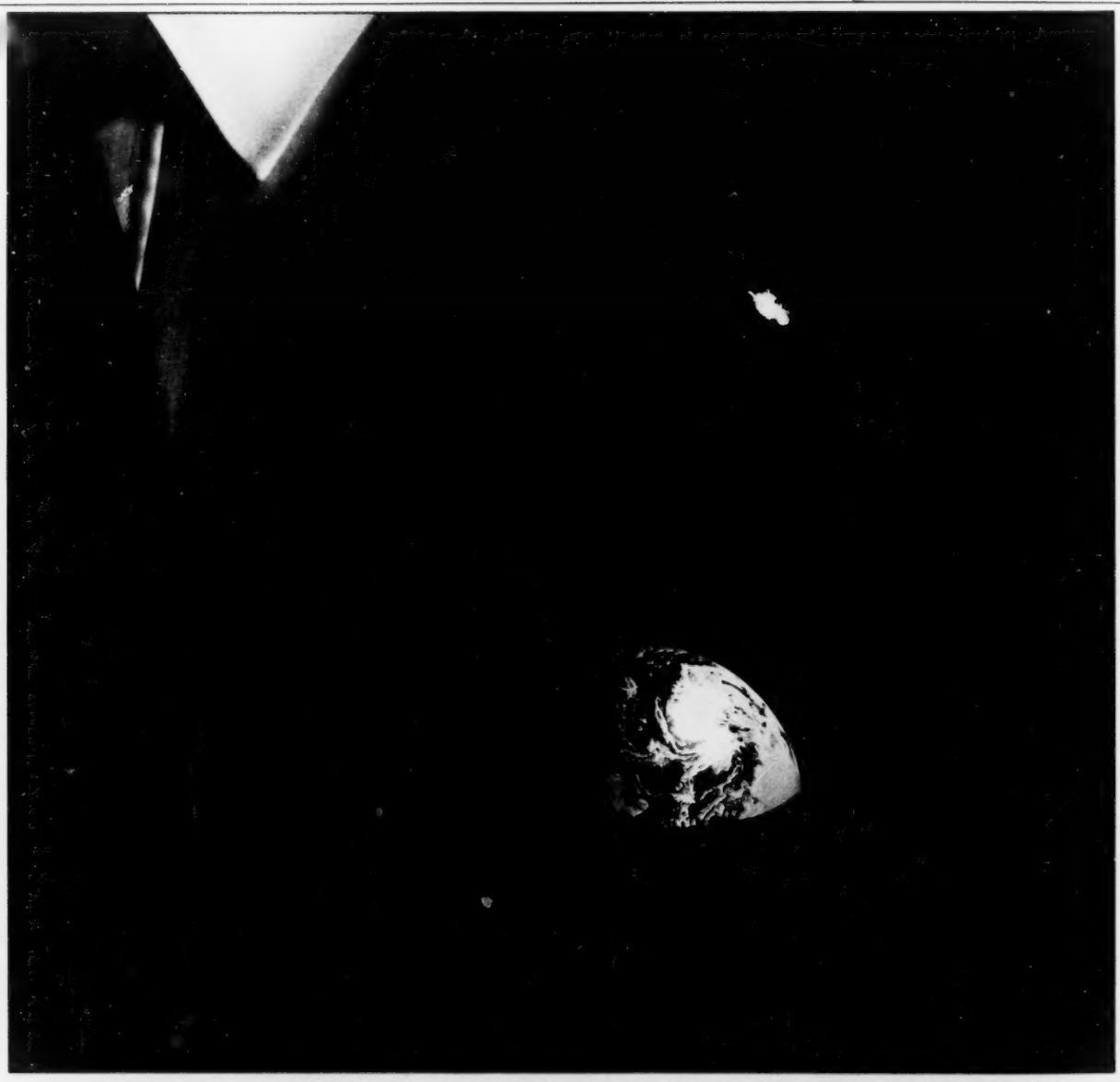
Brinson Partners Inc.

3 First National Plaza, 70 W. Madison St., Ninth Floor, Chicago, Ill. 60602-4298; (312) 732-7100

Total assets managed	$13,911,000,000
Non-U.S. pension assets	$138,000,000
U.S. tax-exempt assets managed:	
Total	$13,511,000,000
International	$2,167,000,000
Equity accounts	$880,000,000
Bond accounts	$1,287,000,000
Global	$4,652,000,000
Equity accounts	$201,000,000
Bond accounts	$593,000,000
Balanced	$3,858,000,000
Minimum separate account	$25,000,000

Brinson Partners Inc.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, Canada and France as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and Canada.



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Of the U.S. institutional tax-exempt assets invested abroad, $6.586 billion is managed actively and $233 million is in active passive strategies.

Analysts or portfolio managers are stationed in Chicago, London and Tokyo.

The firm emphasizes fundamental economic value based on cash flow analysis. It uses a disciplined top-down decision process with broad diversification both within and across countries. Emphasis also is placed on risk control. Extensive use is made of quantitative tools.

The firm is registered with the SEC.

Gary P. Brinson is chief investment officer. Edward C. Hamill is client contact.

Brown Brothers Harriman

59 Wall St., New York, N.Y. 10005; (212) 483-1818

Total assets managed	$13,177,000,000*
Non-U.S. pension assets	$85,000,000
U.S. tax-exempt assets managed	
Total	$5,586,000,000
International	$463,000,000
Equity accounts	$458,000,000
Bond accounts	$5,000,000
Minimum separate account	$5,000,000

** data are as of Dec. 31*

Brown Brothers Harriman & Co.'s international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Italy.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York, London and Tokyo.

The firm is a growth-oriented investor, with an objective of long-term capital appreciation. It applies a relative valuation discipline to market and stock selections. The firm emphasizes investments in countries where growth rates are likely to be greater than the United States and where political background and economic factors favor continuation of business development and expansion.

Elbridge T. Gerry Jr. is chief investment officer; Paul A. Legvold is client contact.

Burgess Capital Corp.

499 Seaport Court, Redwood City, Calif. 94063; (415) 369-4545

Total assets managed	$284,000,000
Non-U.S. pension assets	$74,000,000
U.S. tax-exempt assets managed	
Total	$203,000,000
Global	$203,000,000
Equity accounts	$200,000,000
Balanced	$3,000,000
Minimum separate account	$3,000,000

Burgess Capital Corp.'s global equity assets were committed most heavily to the U.S., Malaysia, Singapore, France and Spain as of March 31.

Analysts or portfolio managers are stationed in Redwood City, Calif.

The firm's market weightings are determined by global analysis of economic, fiscal, political and market cycle factors; particular emphasis is placed on country and industry growth projections. Investments are heavily concentrated in economies and industries that are exhibiting high rates of growth.

The firm has been been registered with the SEC since 1976.

Robert F. Burgess is chief investment officer; Robert F. Osborne is client contact.

BZW Investment Management

P.O. Box 439, Seal House, 1 Swan Lane, London EC4R 3UD U.K.; 071-623-7777

Total assets managed	$39,774,000,000*
Non-U.S. pension assets	$39,660,000,000
U.S. tax-exempt assets managed	
Total	$114,000,000
Global	$114,000,000
Minimum separate account	$25,000,000

** data are as of Dec. 31*

BZW Investment Management's global equity assets were committed most heavily to West Germany, Japan, the U.S., the U.K. and Austria.

Analysts or portfolio managers are stationed in London, Tokyo, New York, Paris, Amsterdam, Madrid, Hong Kong, Chicago, Seoul, Bangkok, Manila, Singapore, Taipei and Auckland.

Crucial to the firm's investment approach is the development of a benchmark to reflect each client's risk return tolerance. This then determines the optimum asset allocation and stock selection process. The firm specializes in risk management and generally applies an index trackup or core satellite approach to stock selection.

The firm, a subsidiary of Barclays Bank PLC, has been registered with the SEC since 1981.

Donald Brydon is chief investment officer; Jane Platt is client contact.

C

Capital Guardian Trust Co.

333 S. Hope St., Los Angeles, Calif. 90071; (213) 486-9200

Total assets managed	$20,239,000,000
Non-U.S. pension assets	$218,000,000
U.S. tax-exempt assets managed	
Total	$19,552,000,000
International	$3,600,000,000
Equity accounts	$3,512,000,000
Bond accounts	$88,000,000
Global	$841,000,000
Equity accounts	$762,000,000
Bond accounts	$34,000,000
Balanced	$45,000,000
Minimum separate account	$10,000,000

Capital Guardian Trust Co.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, Australia and France as of March 31.

As of the same date, its global equity assets were committed most heavily to Japan, the U.S., the U.K., West Germany and Switzerland.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Los Angeles, San Francisco, New York, Washington, London, Geneva, Tokyo, Hong Kong and Singapore.

The firm uses a fundamental, value-oriented approach based on thorough, detailed research supported by direct management contacts. An additional focus is provided by portfolio managers and analysts with country or area economic, political and social overview responsibilities.

The firm is a subsidiary of the Capital Group Inc.

Robert Ronus is chief investment officer; John Seiter is client contact.

Capital Research & Management Co.

333 S. Hope St., Los Angeles, Calif. 90071; (213) 486-9200

Total assets managed	$30,000,000,000
U.S. tax-exempt assets managed	
Total	$10,300,000,000
International	$245,000,000
Equity accounts	$202,000,000
Bond accounts	$2,000,000
Global	$361,000,000
Equity accounts	$298,000,000
Bond accounts	$13,000,000

Capital Research & Management Co.'s international equity assets were committed most heavily to the U.K., West Germany, Japan, Switzerland, Australia and the Netherlands as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., West Germany, the U.K., Japan and Australia.

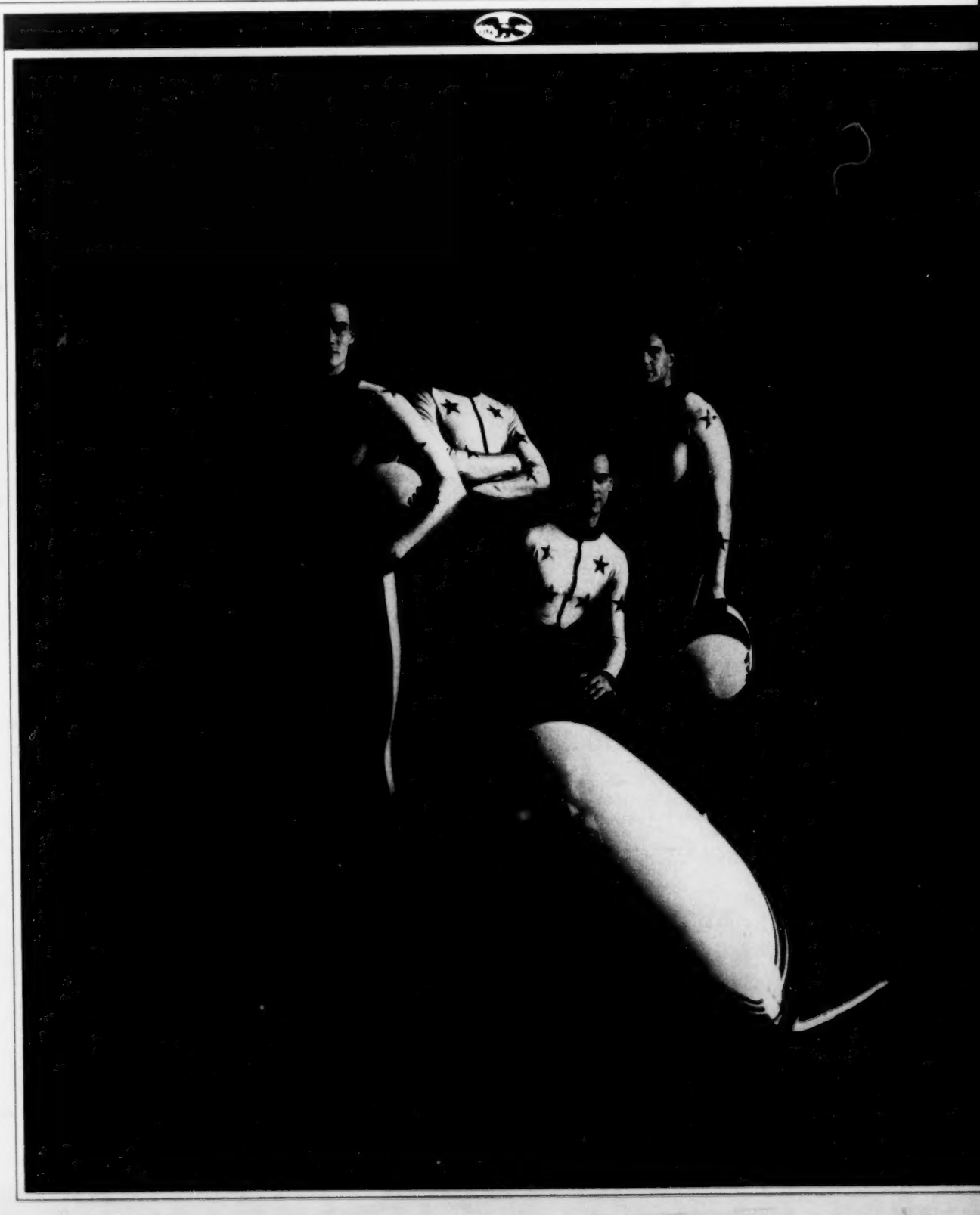
All the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Los Angeles, San Francisco, New York, London, Geneva, Tokyo, Hong Kong and Singapore.

Top 50 managers of international account assets*

	U.S. $ mils.
State Street Bank	7,388
Baring Int'l Investment	3,606
Capital Guardian Trust	3,600
Rowe Price-Fleming Int'l	3,051
J.P. Morgan Investment	2,917
Schroder Capital	2,780
Morgan Grenfell Investment	2,482
Wells Fargo Nikko	2,362
Grantham Mayo v. Otterloo	2,360
Brinson Partners	2,167
Nomura Capital	2,114
Morgan Stanley Asset	1,815
Oechsle Int'l Advisors	1,788
Bankers Trust Investment	1,538
Batterymarch Financial	1,476
Chase Investors	1,415
WorldInvest	1,225
GE Investment	1,089
Alliance Capital	1,048
Boston Int'l Advisors	1,032
Acadian Asset	1,010
Hill Samuel/IA	845
Travelers	838
Warburg Investment	806
Scudder, Stevens & Clark	782
Julius Baer Investment	676
Dimensional Fund Advisors	602
Mellon-Pictet Int'l	572
IDS Int'l	556
PanAgora Asset	490
HD Int'l	488
Brown Brothers Harriman**	463
Fidelity Mgmt. Trust	459
Marsh/Cunningham-Castegren	454
SBC Portfolio Mgmt. Int'l	452
Arnhold & S. Bleichroeder	450
Wellington Mgmt.	438
Globe Finlay	431
N.M. Rothschild Int'l	429
GT Capital	420
PCM Int'l	397
Daiwa Int'l Capital	388
ANB Investment	307
Citicorp Investment	303
Axe Core Investors	295
Nikko Capital	269
CIGNA Asset Advisers	253
Beutel, Goodman Int'l	246
Capital Research & Mgmt.	245
Philippe Investment	243
Total	**61,980**

*U.S., institutional, discretionary, tax-exempt assets
**As of Dec. 31



Capital Guardian's approach is fundamental, guided by thorough internal research and analysis based on extensive field work and direct company contact. The firm tries to identify the difference between the underlying value of a company and the market price of its securities.

The firm, a subsidiary of the Capital Group Inc., has been registered with the SEC since 1933.

R. Michael Shanahan is chief investment officer; Benjamin H. Shaffuck is client contact.

Chase Investors Management Corp.

1211 Avenue of the Americas, 37th Floor, New York, N.Y. 10036; (212) 730-3359

Total assets managed	$33,865,000,000
U.S. tax-exempt assets managed:	
Total	$17,850,000,000
International	$1,415,000,000
Equity accounts	$1,155,000,000
Bond accounts	$260,000,000
Global	$5,000,000
Bond accounts	$5,000,000
Minimum separate account	$10,000,000

Of the $1.42 billion in U.S. institutional tax-exempt assets Chase Investors Management Corp. invests abroad, $265 million is managed actively, $85 million is active/passive, and $1.07 billion passively.

Analysts or portfolio managers are stationed in New York and London.

The firm uses quantitative methods to determine appropriate country and currency allocations for actively managed international equity portfolios. Actively managed international and global fixed-income portfolios follow a top-down approach assessing the impact of expected changes in inflation and current account balances on bond and currency markets.

The firm, a subsidiary of Chase Manhattan Corp., been registered with the SEC since 1972.

Michael L. Schonberg is chief investment officer; Kinne S. Yon is client contact.

CIGNA Asset Advisers Inc.

900 Cottage Grove Road, S-208, Hartford, Conn. 06152; (203) 726-6000

Total assets managed	$4,357,000,000
Non-U.S. pension assets	$154,000,000
U.S. tax-exempt assets managed:	
Total	$253,000,000
International	$253,000,000
Equity accounts	$233,000,000
Bond accounts	$20,000,000
Minimum separate equity account	$10,000,000
Minimum separate bond account	$25,000,000

CIGNA Asset Advisers Inc.'s international equity assets were committed most heavily to West Germany, France, Italy, the U.K. and Switzerland as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, Tokyo and Sydney.

The firm's investment approach is top-down, beginning with a framework of macroeconomic expectations. It then identifies geographic regions and industry sectors that stand to benefit from those expectations and selects the best risk-adjusted prospects. High-quality, liquid stocks are emphasized. Expected currency movements are managed as part of the geographic and cash allocation decision.

The firm, a subsidiary of CIGNA Corp., been registered with the SEC since 1967.

George R. Trumbull is chief investment officer; Timothy Nicholson is client contact.

Citicorp Investment Management

153 E. 53rd St., 22nd Floor, New York, N.Y. 10043; (212) 559-9140

Total assets managed	$23,533,000,000
Non-U.S. pension assets	$962,000,000
U.S. tax-exempt assets managed:	
Total	$336,000,000
International	$303,000,000
Equity accounts	$296,000,000
Bond accounts	$7,000,000
Global	$33,000,000
Equity accounts	$16,000,000
Bond accounts	$17,000,000
Minimum separate account	$10,000,000

Citicorp Investment Management's international equity assets were committed most heavily to the U.K., West Germany, France, Japan and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.K., West Germany, France, Japan and the U.S.

All of the U.S. institutional tax-exempt assets invested abroad are run in actively managed strategies.

Analysts or portfolio managers are stationed in London, New York, Tokyo, Sydney, Hong Kong, Frankfurt, Zurich, Paris, Vienna, Sao Paulo, Auckland, Madrid, Santiago and Bombay.

Its active equity approach is based on a centralized global asset allocation process with security selection completed by regional market specialists. Its approach is active, with a centralized country allocation process and a heavy emphasis on currency and duration management.

The firm is a subsidiary of Citibank.

Anthony Watson is chief investment officer; Carolyn A. Peoples is client contact.

Firms assigning assets to others*

	U.S. $ mils.
Strategic Investment Partners	3,958
Vanguard Group	1,385
Frank Russell Trust	649
FX Concepts**	260
RCB Trust	227
John Hancock Financial	16

*U.S., institutional, discretionary, tax-exempt assets
**Currency hedger

County NatWest Investment Management

100 Wall St., New York, N.Y. 10005; (212) 440-8565

Total assets managed	$18,500,000,000
Non-U.S. pension assets	$17,500,000,000
U.S. tax-exempt assets managed	
Total	$367,000,000
International	$40,000,000
Equity accounts	$40,000,000
Global	$327,000,000
Equity accounts	$190,000,000
Bond accounts	$21,000,000
Balanced	$116,000,000
Minimum separate account	$15,000,000

County NatWest Invest Management's international equity assets were committed most heavily to Japan, France, the Netherlands and West Germany as of March 31.

Of the U.S. institutional tax-exempt assets invested abroad, $51 million is managed actively and $316 million is in active/passive strategies.

Analysts or portfolio managers are stationed in Tokyo, London, Hong Kong, Channel Islands, Melbourne and Sydney.

The firm's international diversification program uses active market allocation — through the application of fundamental, subjective proprietary baskets of stocks — with quantitative techniques used to monitor and control risk.

The firm, a subsidiary of National Westminster Bank PLC, is registered with the SEC.

Nigel Lester is chief investment officer; Lynne S. Minard is client contact.

D

Daiwa International Capital Management Corp.

1 World Financial Center, 200 Liberty St., New York, N.Y. 10281; (212) 341-5405

Total assets managed	$14,615,000,000
Non-U.S. pension assets	$4,223,000,000
U.S. tax-exempt assets managed:	
Total	$388,000,000
International	$388,000,000
Equity accounts	$388,000,000
Minimum separate account	$5,000,000

Daiwa International Capital Management Corp.'s international equity assets were committed most heavily to Japan, West Germany, Singapore, France and the U.K. as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Tokyo, London, New York, Hong Kong and Singapore.

The firm is a research-oriented active manager specializing in Pacific Basin investments. Stock selection focuses on a company's long-term growth potential and the relative value of its stock price. Local managers invest in their respective regions.

The firm, a subsidiary of Daiwa International Capital Management Co. Ltd., been registered with the SEC since 1981.

Shunsuke Ichijo is chief investment officer; Jay S. Mancus is client contact.

Dimensional Fund Advisors

1299 Ocean Ave., Suite 650, Santa Monica, Calif. 90401; (213) 395-8005

Total assets managed	$5,434,000,000
Non-U.S. pension assets	$292,000,000
U.S. tax-exempt assets managed:	
Total	$4,982,000,000
International	$602,000,000
Equity accounts	$602,000,000
Global	$1,383,000,000
Equity accounts	$1,383,000,000
Minimum separate account	$25,000,000

Dimensional Fund Advisors Inc.'s international equity assets were committed most heavily to Japan, the U.K., France, West Germany and Italy as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., France and West Germany.

All of the U.S. institutional tax-exempt assets invested abroad are managed passively.

Analysts or portfolio managers are stationed in Santa Monica and London.

The firm provides small-company investing in the four major international markets.

It has been registered with the SEC since 1981.

Rex A. Sinquefield is chief investment officer; David G. Booth is client contact.

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Discount Corp. of New York Advisers
58 Pine St., New York, N.Y. 10005; (212) 248-8989

Total assets managed $8,000,000,000
U.S. tax-exempt assets managed:
Total $8,000,000,000
Global $300,000,000
Bond accounts $300,000,000
Minimum separate account $25,000,000

All of Discount Corp. of New York Advisers' U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York.

The firm takes a conservative, active approach, changing the market risk profile of holdings to reflect the probable direction of interest rates. The assets of global portfolios are allocated strategically among major country markets. The investment style has three major focuses: team management, high quality credit and active and defensive management of market risk.

The firm, a subsidiary of Discount Corp. of New York, been registered with the SEC since 1978.

Patricia Klink is chief investment officer and client contact.

Master trust: Oct. 1

Dunedin Fund Managers Ltd.
1010 Sherbrooke St. West, Suite 1512, Montreal, Quebec H3A 2R7; (514) 499-9348

Total assets managed $4,778,000,000
Non-U.S. pension assets $1,633,000,000
U.S. tax-exempt assets managed:
Total $212,000,000
International $120,000,000
Equity accounts $120,000,000
Global $59,000,000
Equity accounts $59,000,000

Dunedin Fund Managers Ltd.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France.

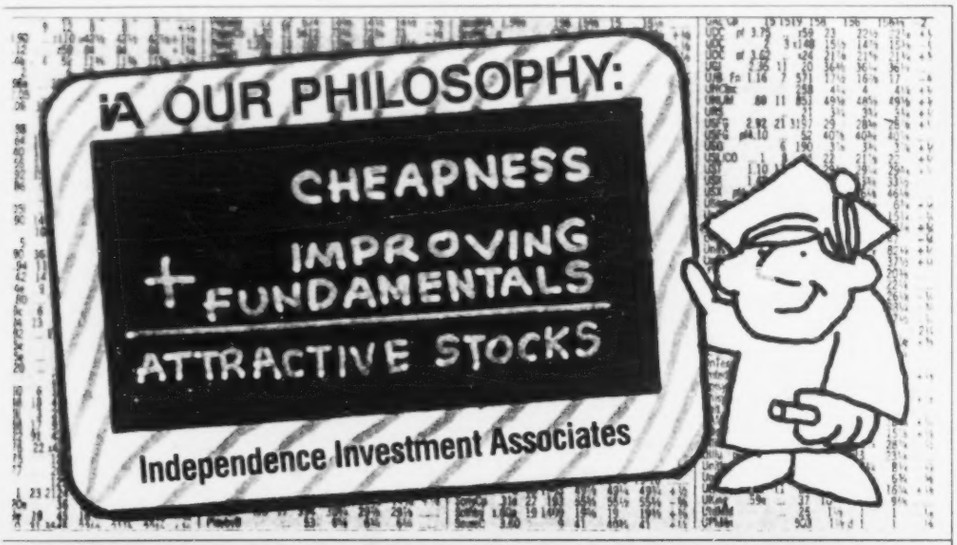
All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Edinburgh.

The firm is a long-term investor seeking fundamental value in markets and stocks, emphasizing high-quality companies with sound management and attractive growth prospects.

The firm has been registered with the SEC since 1985.

Alan S. Kemp is chief investment officer; Douglas Waggoner is client contact.



F

Fidelity Management Trust
82 Devonshire St., Boston, Mass. 02109; (617) 570-6161

Total assets managed $10,656,000,000
Non-U.S. pension assets $277,000,000
U.S. tax-exempt assets managed:
Total $9,328,000,000
International $459,000,000
Equity accounts $459,000,000
Global $194,000,000
Equity accounts $194,000,000
Minimum separate account $25,000,000

Fidelity Management Trust Co.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Norway as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France.

All of the U.S. institutional tax-exempt assets invested abroad are actively/passively managed.

Analysts or portfolio managers are stationed in Boston, London, Tokyo, Hong Kong, Taipei and Sydney.

The firm combines active bottom-up stock selection with quantitative, risk-controlled portfolio management.

The firm is a subsidiary of FMR Corp.

Alexander Webb III is chief investment officer; Eugene M. Waldron is client contact.

Fiduciary Trust Co. International
2 World Trade Center, New York, N.Y. 10048; (212) 466-4100

Total assets managed $10,005,000,000
Non-U.S. pension assets $566,000,000
U.S. tax-exempt assets managed:
Total $958,000,000
International $79,000,000
Equity accounts $70,000,000
Bond accounts $9,000,000
Global $879,000,000
Bond accounts $879,000,000
Minimum separate account $10,000,000

Fiduciary Trust Co. International's international equity assets were committed most heavily to Japan, West Germany, the Netherlands, France and Switzerland as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York.

The firm's disciplined investment style begins with a formal review of each major market, involving a series of decisions regarding country and currency weightings. Asset allocation decisions are made jointly by staff in London, Geneva, Hong Kong and New York.

Jeremy H. Biggs is chief investment officer; George J. Mullen Jr. is client contact.

FX Concepts Inc.
100 Maiden Lane, New York, N.Y. 10038; (212) 363-7540

Minimum separate account $15,000,000

FX Concepts Inc. managed $260 million in currency hedging programs for U.S. institutional tax-exempt clients as of March 31. The firm does not manage any of the underlying assets.

Its approach to foreign exchange management is based on the signals of its proprietary technical and quantitative model.

Analysts are stationed in New York, Rochester and Washington.

The firm has been registered with the SEC since 1986.

John R. Taylor Jr. is chief investment officer; John H. Serhant is client contact.

G

GE Investments
3003 Summer St., Stamford, Conn. 06904; (203) 326-2316

Total assets managed $34,791,000,000
U.S. tax-exempt assets managed:
Total $23,145,000,000
International $1,089,000,000
Equity accounts $939,000,000
Bond accounts $150,000,000
Minimum separate account $10,000,000

GE Investments' international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Hong Kong as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Stamford and London.

The firm uses a top-down/bottom-up approach to find countries with favorable economic climates and companies that demonstrate potential for strong earnings growth and whose worth has not been fully recognized by the market. Its focus is on long-term market cycles and medium- to large-size companies. A two- to five-year horizon is used, with low turnover.

The firm, a subsidiary of General Electric Co., has been registered with the SEC since 1988.

Arthur S. Bahr is chief investment officer; Geoffrey R. Norman is client contact.

Globe Finlay Inc.
200 Park Ave., 56th Floor, New York, N.Y. 10166; (212) 557-7022

Total assets managed $1,400,000,000
Non-U.S. pension assets $358,000,000
U.S. tax-exempt assets managed:
Total $683,000,000
International $431,000,000
Equity accounts $431,000,000
Global $252,000,000
Equity accounts $245,000,000
Balanced $7,000,000
Minimum separate account $20,000,000

Globe Finlay Inc.'s international equity assets were committed most heavily to Japan, West Germany, Switzerland, Hong Kong and the Netherlands as of March 31.

As of the same date, its global equity assets were committed most heavily to Japan, the U.S., West Germany, Switzerland and the U.K.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York, London, Tokyo and Geneva.

The firm manages active equity portfolios with global, EAFE, Europe-only, Japan-only and Pacific Basin mandates. The investment process is top-down/bottom-up with stock selection based on identifying well-managed companies with credible, sustainable growth rates and that are valued attractively according to local market criteria.

The firm has been registered with the SEC since 1982.

Francis Finlay is chief investment officer and client contact.

Grantham, Mayo, Van Otterloo & Co.
40 Rowes Wharf, Boston, Mass. 02110; (617) 330-7610

Total assets managed $7,320,000,000
Non-U.S. pension assets $524,000,000
U.S. tax-exempt assets managed:
Total $6,366,000,000
International $2,361,000,000
Equity accounts $2,361,000,000
Global $243,000,000
Equity accounts $243,000,000
Minimum separate account $50,000,000

Grantham, Mayo, Van Otterloo & Co.'s international equity assets were committed most heavily to the U.K., the Netherlands, West Germany, Australia and France as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Boston and London.

The firm follows a value approach to investing. Quantitative models are used for stock selection and country allocation.

The firm been registered with the SEC since 1977.

Eyk Van Otterloo is chief investment officer; Susan Randall Harvey is client contact.

GT Capital Management Inc.
50 California St., 27th Floor, San Francisco, Calif. 94111; (415) 392-6181

Total assets managed $9,768,000,000
Non-U.S. pension assets $1,383,000,000
U.S. tax-exempt assets managed:
Total $420,000,000
International $420,000,000
Equity accounts $420,000,000
Minimum separate account $10,000,000

GT Capital Management Inc.'s international equity assets were committed most heavily to West Germany, Singapore, Japan, France and the Netherlands as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in San Francisco, London, Tokyo, Hong Kong and Sydney.

The firm's active equity approach emphasizes early identification of major international trends, targeting countries and companies where undiscounted earnings growth will yield above-average return. Currency hedging is used defensively, to protect returns from currency fluctuations.

The firm, a subsidiary of GT Management PLC, been registered with the SEC since 1974.

Christian Wignall is chief investment officer; Eerik A. Malm II is client contact.

Computer software: Aug. 6

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H

HD International Inc.
26 E. 56th St., New York, N.Y. 10022; (212) 753-0600

Total assets managed	$1,068,000,000
Non-U.S. pension assets	$573,000,000
U.S. tax-exempt assets managed	
Total	$495,000,000
International	$488,000,000
Equity accounts	$447,000,000
Balanced	$41,000,000
Global	$7,000,000
Equity accounts	$7,000,000
Minimum separate account	$20,000,000

HD International Inc.'s international equity assets are committed most heavily to Japan, West Germany, France, Switzerland and Holland as of March 31. As of the same date, its global equity assets are committed most heavily to the U.S., Japan, West Germany and France.

Of the U.S. institutional tax-exempt assets invested abroad, $440 million is managed actively and $55 million is in active/passive strategies.

Analysts or portfolio managers are stationed in London.

The firm uses a top-down, earnings-driven approach to country/stock selection with strict valuation discipline. Proprietary quantitative models are used for market allocations. Portfolios concentrate on three or four markets; total allocation is eight to 10 markets. Stocks are chosen using earnings-driven screening and valuation criteria for the world excluding Japan; quant methods are used in Japan.

The firm, a subsidiary of HD International Ltd., was registered with the SEC since 1987.

James Heyworth-Dunne is chief investment officer; Francine R. Elster is client contact.

Hill Samuel/Investment Advisers Ltd.
100 Dain Tower, Box 357, Minneapolis, Minn. 55440; (612) 371-7780

Total assets managed	$859,000,000
U.S. tax-exempt assets managed	
Total	$859,000,000
International	$845,000,000
Equity accounts	$800,000,000
Balanced	$45,000,000
Global	$14,000,000
Equity accounts	$14,000,000
Minimum separate account	$15,000,000

Hill Samuel/Investment Advisers Ltd.'s international equity assets were committed most heavily to Australia, Japan, West Germany, the Netherlands and the U.K. as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., the U.K., Japan, Australia and West Germany.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London.

The firm employs a value approach to international and global investment.

The firm, a subsidiary of TSB Group PLC, has been registered with the SEC since 1984.

David Tilles is chief investment officer; Anne Holloran and I.P. "Kip" Knelman are client contacts.

I

IDS International Inc.
IDS Tower 10, Minneapolis, Minn. 55440; (612) 372-1335

Total assets managed	$1,242,000,000
Non-U.S. pension assets	$314,000,000
U.S. tax-exempt assets managed	
Total	$665,000,000
International	$556,000,000
Equity accounts	$556,000,000
Global	$109,000,000
Equity accounts	$109,000,000
Minimum separate account	$15,000,000

IDS International Inc.'s international equity assets were committed most heavily to France, West Germany, Switzerland, Japan and Singapore as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., West Germany, France, Switzerland and Singapore.

Of the U.S. institutional tax-exempt assets invested abroad, $603 million is managed actively and $62 million is in active/passive strategies.

Analysts or portfolio managers are stationed in London and Minneapolis.

The firm takes a top-down/bottom-up approach. Based upon a macroeconomic, geopolitical overview, assets are allocated; currency views are taken; and countries are distributed into economic categories and weighted. Stock selection is based on fundamental analysis. The firm also offers a strategy in which stocks are selected passively through optimization designed to simulate a specified benchmark.

The firm, a subsidiary of IDS Financial Corp., an American Express company, been registered with the SEC since 1981.

Peter L. Lamaison is chief investment officer; Robert W. Edgar, Richard L. O'Hara, Gabrielle F. Parish, Stephen W. Roszell and Diane K. Vener are client contacts.

Interinvest Corp.
84 State St., Sixth Floor, Boston, Mass. 02109; (617) 723-7870

Total assets managed	$125,000,000
U.S. tax-exempt assets managed	
Total	$55,000,000
International	$15,000,000
Equity accounts	$12,000,000
Bond accounts	$3,000,000
Global	$40,000,000
Equity accounts	$35,000,000
Bond accounts	$5,000,000
Minimum separate account	$1,000,000

Interinvest Corp.'s international equity assets were committed most heavily to Singapore/Malaysia, Canada, Hong Kong, Australia and New Zealand as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Canada, Singapore/Malaysia, Hong Kong and Australia.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Boston, Montreal and Zurich.

The firm uses a top-down global asset allocation approach using macroeconomic political and currency analysis to determine country, currency and sector weightings.

The firm has been registered with the SEC since 1980.

Hans P. Black is chief investment officer; Stanley T. Schmidt is client contact.

INVESCO MIM PLC
101 E. 52nd St., Manhattan Tower, New York, N.Y. 10022; (212) 888-5820

Total assets managed	$16,000,000,000
Non-U.S. pension assets	$6,100,000,000
U.S. tax-exempt assets managed	
Total	$336,000,000
International	$94,000,000
Equity accounts	$94,000,000
Global	$242,000,000
Equity accounts	$130,000,000
Bond accounts	$26,000,000
Balanced	$86,000,000
Minimum separate account	$10,000,000

INVESCO MIM PLC's international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Atlanta, London, Tokyo and Hong Kong.

Asset allocation and country weightings are determined on a top-down basis; security selection is based on company fundamentals in local markets. The equity approach uses value and sector rotation; the fixed-income strategy is determined by analysis of relative liquidity and available real yields.

The firm has been registered with the SEC since 1978.

Donald Walker is chief investment officer; Frank Keeler is client contact.

Real estate directory: Sept. 3

L

Lexington Management
Park 80 West, Plaza Two, Saddle Brook, N.J. 07662; (201) 845-7300

Total assets managed	$2,352,000,000
U.S. tax-exempt assets managed	
Total	$1,128,000,000
Global	$94,000,000
Equity accounts	$94,000,000
Minimum separate account	$10,000,000

Lexington Management Corp.'s global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Saddle Brook.

The firm treats equities worldwide as a single asset class. It attempts to isolate the best ideas — stocks, themes, sectors, countries or currencies — in its investment strategies.

The firm, a subsidiary of Piedmont Management Co., has been registered with the SEC since 1952.

William S. Stack is chief investment officer; Joseph Barcic Jr. is client contact.

Global custody and master trust will be highlighted in the Oct. 1 issue of *Pensions & Investments*.

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Private Equity Perspectives

by Linda Vincent
Vice President, Investor Services
Venture Economics, Inc.

Venture Capital Signposts for the 1990s

The last decade witnessed skyrocketing growth in venture capital private placements. In sharp contrast, the '90s promise to be a decade of slower, more cautious asset allocation decisions.

Should you increase or decrease your exposure in venture capital, or hold steady? Reliable industry benchmarks are signposts pointing the way to answers.

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- Understand how economic and financial factors interact to affect performance, and realize venture capital's changing role in a risk diversification strategy.
- Compare venture partnership investments already in your portfolio with a greater universe of funds.
- Have access to distinct benchmarks with integrity and statistical reliability for early- and later-stage funds.

Our 1990 report on venture capital performance, ***Investment Benchmarks: Venture Capital***, gives you industry-wide benchmarks and in-depth data and analysis of 20 years of venture capital returns in a broad sample of nearly 200 independent private venture funds.

For further information on ***Investment Benchmarks: Venture Capital***, call Linda Vincent at (617) 449-2100.

75 Second Avenue, Suite 700, Needham, Massachusetts 02194 VENTURE ECONOMICS

Lombard Odier International Portfolio Management Ltd.

Norfolk House, 13 Southampton Place, London WC1A 2AJ U.K.; 071-831-2350

Total assets managed	$3,256,000,000
Non-U.S. pension assets	$184,000,000
U.S. tax-exempt assets managed:	
Total	$246,000,000
International	$178,000,000
Equity accounts	$48,000,000
Bond accounts	$130,000,000
Global	$69,000,000
Equity accounts	$69,000,000
Minimum separate account	$10,000,000

Lombard Odier International Portfolio Management Ltd.'s international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Italy as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Geneva, Montreal and Amsterdam.

The firm uses a macroeconomic approach to regional allocation of assets. Portfolio managers analysts implement equity allocation within their geographic regions. Interest rate anticipation is used in fixed income. Currency hedging is used.

The firm, a subsidiary of Lombard Odier & Cie, has been registered with the SEC since 1978.

Robert van Maasdijk is chief investment officer; Karin Bonding is client contact.

M

Marathon Asset Management Ltd.

140A Gloucester Mansions, Cambridge Circus, London WC2H 8HD U.K.; 071-497-2211

Total assets managed	$250,000,000
Non-U.S. pension assets	$17,000,000
U.S. tax-exempt assets managed:	
Total	$55,000,000
International	$12,000,000
Equity accounts	$12,000,000
Global	$43,000,000
Equity accounts	$43,000,000
Minimum separate account	$25,000,000

Marathon Asset Management Ltd.'s international equity assets were committed most heavily to Japan, the U.K., France, West Germany and Singapore as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., France and West Germany.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London.

The firm's approach, based on fundamental research, uses monetary trends and confidence levels to determine asset allocation while capital cycles are used to identify industries. Risk is minimized by avoiding extreme bets against benchmark country allocations.

The firm has been registered with the SEC since 1990.

Jeremy J. Hosking is chief investment officer; Helen Blanchard is client contact.

Profiles of the top consultants will appear in the Nov. 12 edition.

Marsh & Cunningham-Castegren International

P.O. Box 1961, Boston, Mass. 02105; (617) 482-0290

Total assets managed	$591,000,000
U.S. tax-exempt assets managed:	
Total	$454,000,000
International	$454,000,000
Equity accounts	$454,000,000
Minimum separate account	$20,000,000

Marsh & Cunningham — Castegren International's international equity assets were committed most heavily to the U.K., France, Japan, Sweden and Hong Kong as of March 31.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Boston.

The firm uses top-down country allocation in conjunction with worldwide economic themes. Bottom-up stock selection is guided by a p-e data base.

The firm, a subsidiary of Marsh & Cunningham Inc., has been registered with the SEC since 1984.

Hakan Castegren is chief investment officer; Edward E. Wendell Jr. is client contact.

Foreign business survey: July 23.

Marvin & Palmer Associates

1 Commerce Center, Suite 1100, Wilmington, Del. 19801; (302) 573-3570

Total assets managed	$340,000,0
U.S. tax-exempt assets managed:	
Total	$340,000,0
International	$190,000,0
Equity accounts	$190,000,0
Global	$140,000,0
Equity accounts	$140,000,0
Minimum separate account	$10,000,0

Marvin & Palmer Associates Inc.'s internation equity assets were committed most heavily Japan, West Germany, France, Sweden, Norw and the U.K. as of March 31.

As of the same date, its global equity assets we committed most heavily to the U.S., West Germar Japan, Sweden and the U.K.

All U.S. institutional tax-exempt assets invest abroad are managed actively.

Analysts or portfolio managers are stationed Wilmington, Brussels and Minneapolis.

The firm uses a top-down approach focusing a country/currency theme and individual stocks. combination of fundamental and technical analys is used.

The firm has been registered with the SEC sin 1986.

David Marvin is chief investment officer; Jon St lorius is client contact.

Massachusetts Financial Services

500 Boylston St., Boston, Mass. 02116; (617) 954-5000

Total assets managed	$25,198,000,0
U.S. tax-exempt assets managed:	
Total	$2,037,000,0
Global	$210,000,0
Bond accounts	$210,000,0
Minimum separate account	$20,000,0

All of the discretionary U.S. tax-exempt asse invested abroad by Massachusetts Financial Se vices are managed actively.

Analysts or portfolio managers are stationed Boston.

The firm applies active fixed-income manageme techniques and uses hedging to segment non-dol fixed-income investments into three components currency return, bond price fluctuations and curre income — and to isolate factors that will provide t most attractive return.

The firm, a subsidiary of Sun Life Assurance C of Canada, been registered with the SEC sin 1933.

A. Keith Brodkin is chief investment offic James H. Kelly Jr. and Eileen M. McCaffery a client contacts.

Mellon-Pictet International Management Ltd.

Cutlers Gardens, 5 Devonshire Square, London, EC2M 4LD, U.K.; 071-283-7471

Total assets managed	$895,000,0
Non-U.S. pension assets	$323,000,0
U.S. tax-exempt assets managed:	
Total	$572,000,0
International	$572,000,0
Equity accounts	$572,000,0

Mellon-Pictet International Management L manages all of its U.S. institutional tax-exem assets invested abroad actively.

Analysts or portfolio managers are stationed Geneva and Tokyo.

The firm uses a systematic, disciplined stock s lection technique linking share value to fundame tals that identifies shares representing the be value relative to their historical valuation within ea market.

A more judgmental technique is used in worki with regional mandates and international small-c accounts.

The firm, a joint venture of Pictet et Cie and M lon Bank, has been registered with the SEC sin 1980.

Dan Blanks is chief investment officer; Rod Hea is client contact.

J.P. Morgan Investment Management Inc.

522 Fifth Ave., New York, N.Y. 1003 (212) 837-2300

Total assets managed	$60,285,000,0
Non-U.S. pension assets	$460,000,0
U.S. tax-exempt assets managed:	
Total	$35,350,000,0
International	$2,917,000,0
Equity accounts	$1,598,000,0
Bond accounts	$1,128,000,0
Balanced	$191,000,0
Global	$335,000,0
Equity accounts	$171,000,0
Bond accounts	$164,000,0

J.P. Morgan Investment Management Inc.'s U institutional tax-exempt assets invested abroad a managed actively.

Analysts or portfolio managers are stationed New York, London, Singapore, Tokyo and M bourne.

The firm actively manages asset mix, curren exposure and security selection to maximize to return and minimize risk in U.S. dollars through systematic decision-making process.

The firm, a subsidiary of J.P. Morgan & C has been registered with the SEC since 1984.

David L. Brigham is chief investment officer; Jo F. Baumann is client contact.

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Morgan Grenfell Investment Services Ltd.

20 Finsbury Circus, London EC2M 1NB U.K.; 071-256-7500

Total assets managed	$2,770,000,000
Non-U.S. pension assets	$93,000,000
U.S. tax-exempt assets managed	
Total	$2,631,000,000
International	$2,482,000,000
Equity accounts	$2,328,000,000
Bond accounts	$83,000,000
Balanced	$71,000,000
Global	$149,000,000
Equity accounts	$16,000,000
Bond accounts	$133,000,000
Minimum separate account	$10,000,000

Morgan Grenfell Investment Services Ltd.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, Switzerland and the Netherlands as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, the U.K. and Switzerland.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, Tokyo, Geneva, Singapore, New York and Philadelphia.

In equities, the firm emphasizes stock selection with market and currency overlays. In fixed income, the firm actively manages currencies, bond markets and maturities. Currency and bond market exposure decisions are separated through currency hedging.

The firm, a subsidiary of Morgan Grenfell Asset Management, has been registered with the SEC since 1977.

Michael Bullock is chief investment officer; James E. Minnick is client contact in New York at (212) 230-2600.

Morgan Stanley Asset Management

1221 Avenue of the Americas, New York, N.Y. 10020; (212) 296-7200

Total assets managed	$18,996,000,000
Non-U.S. pension assets	$127,000,000
U.S. tax-exempt assets managed	
Total	$15,681,000,000
International	$1,815,000,000
Equity accounts	$1,815,000,000
Global	$1,080,000
Equity accounts	$197,000,000
Bond accounts	$457,000,000
Balanced	$426,000,000
Minimum separate account	$10,000,000

Morgan Stanley Asset Management's international equity assets were committed most heavily to the U.K., Japan, West Germany, the Netherlands and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., West Germany, Japan, the U.K. and Canada.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York, London, Chicago, Hong Kong and Tokyo.

The firm's approach is bottom-up and value-oriented. Selection relies heavily on fundamental analysis and screening of international data bases. Currency decisions are made separately.

The firm, a subsidiary of Morgan Stanley Group Inc., has been registered with the SEC since 1981.

Barton M. Biggs is chief investment officer; Gail Hunt Reeke is client contact.

N

Nikko Capital Management (U.S.A.) Inc.

350 Park Ave., New York, N.Y. 10022; (212) 319-2730

Total assets managed	$1,703,000,000
Non-U.S. pension assets	$20,000,000
U.S. tax-exempt assets managed	
Total	$437,000,000
International	$269,000,000
Equity accounts	$269,000,000
Global	$168,000,000
Equity accounts	$168,000,000
Minimum separate account	$5,000,000

Nikko Capital Management (U.S.A.) Inc.'s international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, the U.K. and France.

Of the U.S. institutional tax-exempt assets invested abroad $135 million is managed actively, $40 million is managed in active/passive strategies and $262 million, passively.

Analysts or portfolio managers are stationed in New York, Tokyo, London and Singapore.

The firm offers active strategies for global, international and Pacific Basin portfolios. Quantitative models are used by active portfolio managers in the decision-making process.

Specialized products include EAFE and Pacific Basin Active strategies in addition to a Japan OTC and Pacific Basin Emerging Market strategy. Active fixed-income management is based on interest-rate anticipation.

The firm, a subsidiary of Nikko International Capital Management Co. Ltd., has been registered with the SEC since 1981.

Stanley Kirtman is chief investment officer; David Rochman is client contact.

Nomura Capital Management

180 Maiden Lane, Suite 2903, New York, N.Y. 10038; (212) 509-8181

Total assets managed	$2,644,000,000
Non-U.S. pension assets	$514,000,000
U.S. tax-exempt assets managed	
Total	$2,130,000,000
International	$2,114,000,000
Equity accounts	$2,025,000,000
Bond accounts	$48,000,000
Balanced	$41,000,000
Global	$13,000,000
Equity accounts	$13,000,000
Minimum separate account	$5,000,000

Nomura Capital Management Inc.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., West Germany and France.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, New York, Washington, Tokyo, Osaka, Yokohama, Sydney, Hong Kong and Singapore.

The firm has global, non-U.S. or regional investments with a concentration in high-return sectors. Stocks are screened through original fundamental research and relative valuation. The emphasis is on sector and stock selection and less on timing markets and currencies. The process is disciplined and a number of quantitative tools are used.

The firm, a subsidiary of Nomura Investment Management Co. Ltd, has been registered with the SEC since 1976.

Takeo Nakamura is chief investment officer; Brian X. Fitzgibbon is client contact.

O

Oechsle International Advisors

1 International Place, 44th Floor, Boston, Mass. 02110; (617) 330-8810

Total assets managed	$1,851,000,000
Non-U.S. pension assets	$40,000,000
U.S. tax-exempt assets managed	
Total	$1,788,000,000
International	$1,788,000,000
Equity accounts	$1,788,000,000
Minimum separate account	$20,000,000

Oechsle International Advisors' international equity assets were committed most heavily to Japan, the U.K., West Germany, Switzerland and France as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Boston, London and Tokyo.

The firm is a top-down, core and core-plus manager with active company and moderate cash allocation. Core portfolios are concentrated in medium- and large-capitalization stocks and core-plus, in smaller capitalization stocks.

The firm has been registered with the SEC since 1986.

Walter Oechsle is chief investment officer; Stephen P. Langer is client contact.

Public funds will be the focus of the Oct. 29 issue of *Pensions & Investments.*

P

Pacific Investment Management Co.

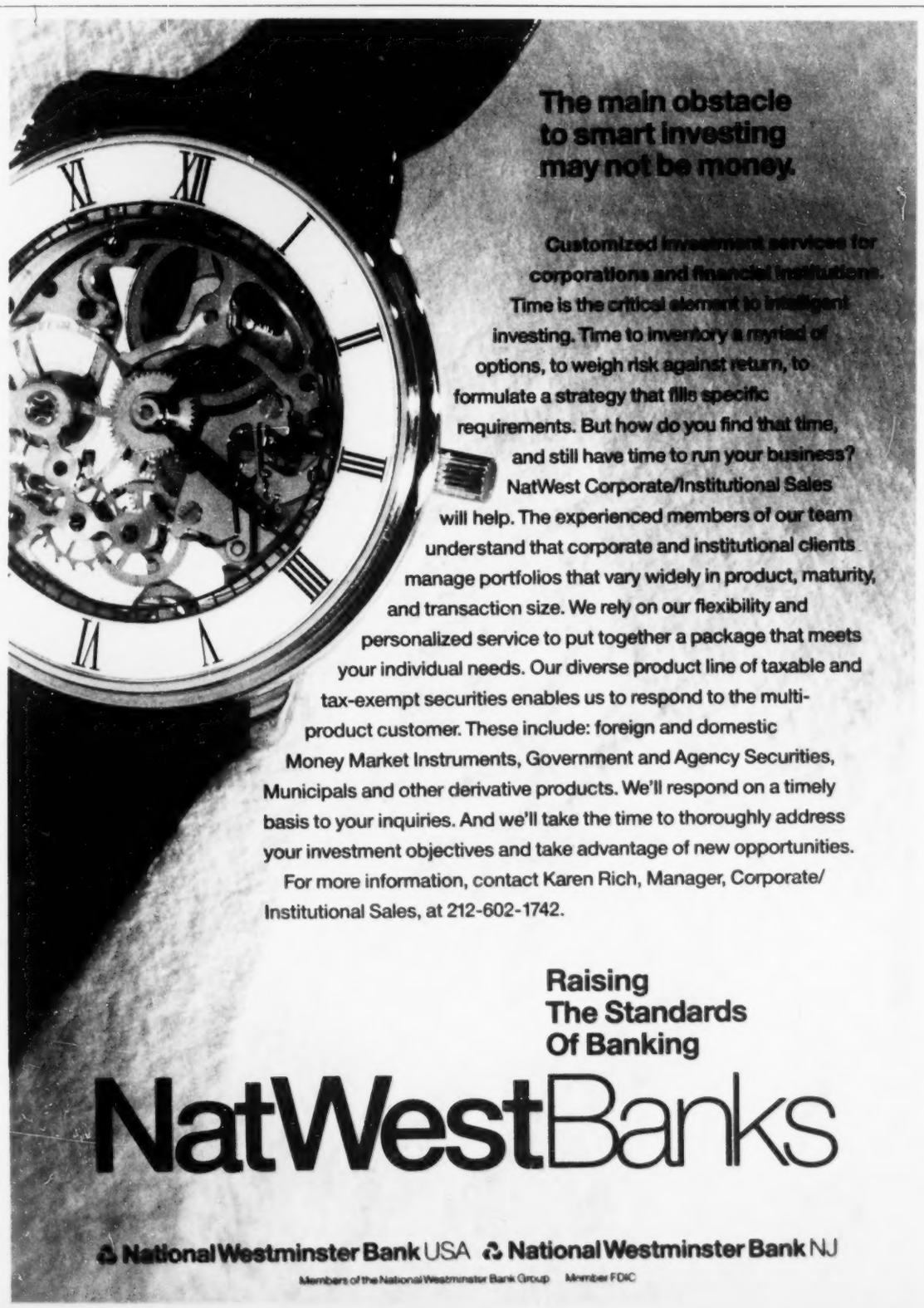
840 Newport Center Drive, Suite 360, Newport Beach, Calif. 92660; (714) 760-4885

Total assets managed	$24,771,000,000
U.S. tax-exempt assets managed	
Total	$24,771,000,000
Global	$468,000,000
Bond accounts	$468,000,000
Minimum separate account	$50,000,000

All of Pacific Investment Management Co.'s U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Newport Beach.

Working within a long-term framework, the firm examines economic, financial, demographic and policy trends to define the relative attractiveness of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foreign assets. Country and currency allocations are further dependent on the economic growth and inflation potentials of each country. Additional consideration is given to international trade flows, relative real interest rates and coordinated currency policies.

The firm, a subsidiary of Pacific Financial Cos., has been registered with the SEC since 1971.

W.H. Gross is chief investment officer; Brent Harris is client contact.

PanAgora Asset Management

1 Boston Place, 17th Floor, Boston, Mass. 02108; (800) 423-6041

Total assets managed	$827,000,000
Non-U.S. pension assets	$337,000,000
U.S. tax-exempt assets managed:	
Total	$490,000,000
International	$490,000,000
Equity accounts	$460,000,000
Bond accounts	$30,000,000
Minimum separate account	$10,000,000

PanAgora Asset Management's international equity assets were committed most heavily to Japan, the U.K., Sweden, France and Singapore as of March 31.

Of the U.S. institutional tax-exempt assets invested abroad, $30 million is managed actively, $95 million is managed in active/passive strategies and $365 million, passively.

Analysts or portfolio managers are stationed in Boston and London.

The firm offers quantitatively driven structured investment products. It offers products that focus on investment flexibility, cost efficiency, predictable performance and risk control.

The firm has been registered with the SEC since 1989.

Richard Crowell and Alan Brown are chief investment officers in Boston and London, respectively; Steve Shugars is client contact in Boston.

Alan Patricof Associates

24 Upper Brook St., London W1Y 1PD U.K.; 071-872-0015

Total assets managed	$271,000,000
U.S. tax-exempt assets managed:	
Total	$93,000,000
Global	$93,000,000
Equity accounts	$93,000,000

Alan Patricof Associates Ltd.'s global equity assets were committed most heavily to France, the U.S. and the U.K. as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, Paris, Zurich, Madrid, New York, Palo Alto and Philadelphia.

The firm invests venture capital in high-growth companies at all stages of development and across all industry sectors. Its investment approach is hands-on.

The firm is a subsidiary of the MMG Patricof Group PLC.

Ronald Cohen is the client contact in the U.K.

Payden & Rygel Investment Counsel

333 S. Grand Ave., Suite 3250, Los Angeles, Calif. 90071; (213) 625-1900

Total assets managed	$6,981,000,000
U.S. tax-exempt assets managed:	
Total	$4,625,000,000
International	$55,000,000
Bond accounts	$55,000,000
Global	$400,000,000
Bond accounts	$400,000,000
Minimum separate account	$25,000,000

All of Payden & Rygel Investment Counsel's U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Los Angeles.

The firm develops high-quality fixed-income portfolios, adding value from interest rate differentials or capital appreciation. Low volatility hedging strategies significantly reduce currency risk. Fundamental and technical analyses are used in country selection.

The firm has been registered with the SEC since 1983.

Joan A. Payden is chief investment officer; Thomas J. Duckworth is client contact.

PCM International

751 Broad St., 2 Plaza, Newark, N.J. 07102-3777; (201) 802-4559

Total assets managed	$4,417,000,000
Non-U.S. pension assets	$80,000,000
U.S. tax-exempt assets managed:	
Total	$1,429,000,000
International	$397,000,000
Equity accounts	$309,000,000
Bond accounts	$88,000,000
Global	$1,032,000
Bond accounts	$1,032,000,000
Minimum separate equity account	$10,000,000
Minimum separate bond account	$20,000,000

Of the U.S. institutional tax-exempt assets invested abroad by PCM International March 31, $1.407 billion is managed actively and $22 million is managed in active/passive strategies.

Analysts or portfolio managers are stationed in Newark.

The firm is a bottom-up stock picker. Security valuations are screened through a proprietary computer model; currencies are actively managed. In fixed income, the firm combines fundamental and technical analyses. Proprietary models are used. Security selection is concentrated on highly liquid, high-quality issues, typically government securities.

The firm, a subsidiary of Prudential Insurance Co. of America, has been registered with the SEC since 1984.

Barry Gillman is chief investment officer; J. Eric Nelson is client contact.

Philippe Investment Management Inc.

122 E. 42nd St., New York, N.Y. 10168; (212) 687-3616

Total assets managed	$573,000,000
Non-U.S. pension assets	$44,000,000
U.S. tax-exempt assets managed:	
Total	$529,000,000
International	$243,000,000
Equity accounts	$243,000,000
Global	$142,000,000
Equity accounts	$142,000,000
Minimum separate account	$25,000,000

Philippe Investment Management Inc.'s international equity assets were committed most heavily to the U.K., Japan, France, West Germany and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.K., Japan, France, the U.S. and West Germany.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York, Paris, London and Luxembourg.

The firm incorporates top-down and bottom-up strategies. Equal weight is placed on country, sector and stock decisions. Portfolios contain about 150 securities, with generally one-third being in smaller-cap issues.

The firm has been registered with the SEC since 1982.

Beatrice Philippe is chief investment officer; Claudette Mayer is client contact.

Posthorn Global Asset Management

No. 2 Broadgate, London EC2M 7HA U.K.; 071-601-0021

Total assets managed	$1,930,000,000
Non-U.S. pension assets	$77,000,000
U.S. tax-exempt assets managed:	
Total	$282,000,000
International	$76,000,000
Bond accounts	$76,000,000
Global	$206,000,000
Bond accounts	$206,000,000
Minimum separate account	$10,000,000

All of Posthorn Global Asset Management's U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London.

The firm combines an active style with a disciplined and quantitative fixed-income investment process. Interest rate and currency movements are projected through a framework based upon global economic scenarios. Risk/return levels are quantified from those scenarios to form a base from which portfolios are constructed.

The firm, a subsidiary of Shearson Lehman Hutton Inc., has been registered with the SEC since 1984.

Pauline A.M. Barrett is chief investment officer and client contact.

Rowe Price-Fleming International Inc.

100 E. Pratt St., Baltimore, Md. 21202; (301) 547-2140

Total assets managed	$3,813,000,000
U.S. tax-exempt assets managed:	
Total	$3,051,000,000
International	$3,051,000,000
Equity accounts	$2,844,000,000
Bond accounts	$207,000,000
Minimum separate account	$20,000,000

Rowe Price-Fleming International Inc.'s international equity assets were committed most heavily to West Germany, the U.K., Japan, France and the Netherlands as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Bahrain, Baltimore, Geneva, Hong Kong, Jakarta, Kuala Lumpur, Melbourne, London, New York, Paris, the Philippines, Seoul, Sydney, Taipei, Tokyo, Frankfurt and Zurich.

In equities, the firm uses a top-down, bottom-up approach, with large- and/or small-capitalization stocks. Worldwide research capabilities are of primary importance. The fixed-income approach is fundamentally oriented, using active management of credit markets and currency exposure.

The parent companies are T. Rowe Price Associates, Robert Fleming Holdings and Jardine Fleming Holdings. The firm has been registered with the SEC since 1979.

Martin G. Wade is chief investment officer; George A. Murnaghan is client contact.

The Putnam Cos. Inc.

1 Post Office Square, Boston, Mass. 02109; (617) 292-1000

Total assets managed	$2,295,000,000
Non-U.S. pension assets	$105,000,000
U.S. tax-exempt assets managed:	
Total	$265,000,000
International	$113,000,000
Equity accounts	$113,000,000
Global	$152,000,000
Bond accounts	$152,000,000
Minimum separate account	$10,000,000

Top 50 managers of global account assets*

	U.S. $ mils.
Brinson Partners	4,652
Templeton Int'l	2,461
Dimensional Fund Advisors	1,383
Wells Fargo Nikko	1,233
Batterymarch Financial	1,225
WorldInvest	1,094
Morgan Stanley Asset	1,080
PCM Int'l	1,052
Warburg Investment	1,025
Fiduciary Trust Int'l	879
TCW Global Advisors	865
Capital Guardian Trust	841
BEA Associates	630
State Street Bank	486
Pacific Investment	468
Alliance Capital	443
Payden & Rygel Investment	400
Capital Research & Mgmt.	361
J.P. Morgan Investment	335
County NatWest Investment	327
Discount Corp. of New York	300
Globe Finlay	252
Grantham Mayo v. Otterloo	243
INVESCO MIM	242
Massachusetts Financial	210
Posthorn Global Asset	206
Burgess Capital	203
Fidelity Mgmt. Trust	194
Nikko Capital	168
Putnam	152
Morgan Grenfell Investment	149
Smith Barney Global Capital	143
Philippe Investment	142
Marvin & Palmer Associates	140
Scudder, Stevens & Clark	132
Bankers Trust Investment	127
Schroder Capital	125
BZW Investment**	114
IDS Int'l	109
Beutel, Goodman Int'l	95
Brandes Investment	95
Lexington Mgmt.	94
Alan Patricof Associates	93
Van Eck Associates	80
Lombard Odier Int'l	68
Dunedin Fund Managers	59
Boston Int'l Advisors	46
Marathon Asset	43
Interinvest	40
Walter Scott	35
Total	**25,319**

*U.S., institutional, discretionary, tax-exempt assets
**As of Dec. 31

The Putnam Cos. Inc.'s international equity assets were committed most heavily to the Netherlands, Japan, Switzerland, West Germany and France as of March 31.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Boston, London and Tokyo.

The firm uses a top-down/bottom-up equity approach. Value-oriented stock selection is used to identify mispriced stocks. In fixed income, it uses a systematic process to achieve positive returns in any currency.

The firm, a subsidiary of Marsh & McLennan Cos. Inc., has been registered with the SEC since 1968.

Lawrence J. Lasser is chief investment officer; Suzanne S. Filbey is client contact.

R

RCB Trust Co.

29 Federal St., Stamford, Conn. 06901; (203) 977-7000

Total assets	$2,693,000,000
Assets assigned to other firms:	
Total	$2,693,000,000
Non-U.S. pension	$1,543,000,000
U.S. tax-exempt total	$1,150,000,000
International	$227,000,000
Equity accounts	$227,000,000
Global	$330,000,000
Equity accounts	$316,000,000
Bond accounts	$14,000,000
Minimum separate account	$50,000,000

RCB Trust Co., a manager of managers, assigns all assets to external managers. Its international equity assets were committed most heavily to Japan, West Germany, the U.K., Singapore/Malaysia and France as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, the U.K. and France. All assets are actively managed by the submanagers.

In its multiadviser approach, the firm selects specialized investment advisers with complementary styles and disciplines. Results are monitored closely, with changes made when appropriate.

The firm, a subsidiary of RCB International Inc., has been registered with the SEC since 1980.

William L. Green is chief investment officer; Robert J. Russell is client contact.

Master trust: Oct. 1

NM Rothschild International Asset Management Ltd.

Five Arrows House, St. Swithin's Lane, London EC4N 8NR U.K.; 071-280-5000

Total assets managed	$1,888,000,000
Non-U.S. pension assets	$841,000,000
U.S. tax-exempt assets managed:	
Total	$455,000,000
International	$429,000,000
Equity accounts	$30,000,000
Bond accounts	$399,000,000
Global	$26,000,000
Bond accounts	$26,000,000
Minimum separate account	$10,000,000

NM Rothschild International Asset Management Ltd. actively manages all of its U.S. institutional tax-exempt assets invested abroad.

Analysts or portfolio managers are stationed in London, Tokyo, Singapore and Hong Kong, with affiliates in Paris, Zurich, Guernsey, Sydney and New York.

The firm uses macroeconomic fundamental analysis, dampening volatility of returns through incremental implementation. Value is sought during the selection of individual securities. Currency is treated separately and is actively managed.

The firm, a subsidiary of NM Rothschild Asset Management Ltd., has been registered with the SEC since 1980.

Nigel Wightman is chief investment officer; Suzanne Schecter is client contact in New York at (800) 753-5151.

Frank Russell Trust Co.

909 A St., Tacoma, Wash. 98401-1454; (206) 572-2282

Total assets	$9,700,000,000
Assets assigned to other firms:	
Total	$9,700,000,000
U.S. tax-exempt total	$9,700,000,000
International	$649,000,000
Equity accounts	$649,000,000
Minimum separate account	$5,000,000

Frank Russell Trust Co., a manager of managers, assigns all assets to external managers.

International equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31. All assets are actively managed by respective submanagers.

The firm's International I fund employs a risk-control strategy that emphasizes diversification among capitalization sizes, valuation ranges and country bets to achieve broad participation in the countries and markets of Europe and the Far East. One submanager selects core investments using quantitative methods. The fund then employs additional advisers which fall into three investment strategy categories: price-driven, market-oriented and earnings growth.

The firm is a subsidiary of Frank Russell Co.

Randall P. Lert is chief investment officer; Virginia P. Sirusas is client contact.

S

SBC Portfolio Management International Inc.

1 World Trade Center, Suite 8935, New York, N.Y. 10048; (212) 432-8900

Total assets managed	$615,000,000
Non-U.S. pension assets	$30,000,000
U.S. tax-exempt assets managed:	
Total	$480,000,000
International	$452,000,000
Equity accounts	$452,000,000
Global	$15,000,000
Equity accounts	$15,000,000
Minimum separate account	$10,000,000

SBC Portfolio Management International Inc.'s international equity assets were committed most heavily to West Germany, Japan, France, the U.K. and the Netherlands as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, France and the U.K.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers, through parent Swiss Bank Corp., are located in the U.S., U.K., Hong Kong, Singapore, Japan and Switzerland.

The firm is a top-down/bottom-up equity-oriented manager, relying on superior information to make strong bets against the EAFE when prudent, while investing across the whole spectrum of the index. Active currency management, hedging when necessary, protects value-oriented stock selection, which is fundamental, with quant overlays.

The firm has been registered with the SEC since 1982.

Peter J. Morant is chief investment officer; John W. Conlin is client contact.

Schroder Capital Management International

787 Seventh Ave., New York, N.Y. 10019; (212) 841-3830

Total assets managed	$3,587,000,000
Non-U.S. pension assets	$394,000,000
U.S. tax-exempt assets managed:	
Total	$2,909,000,000
International	$2,780,000,000
Equity accounts	$2,775,000,000
Bond accounts	$5,000,000
Global	$125,000,000
Equity accounts	$125,000,000
Minimum separate account	$20,000,000

Schroder Capital Management International's international equity assets were committed most heavily to Japan, West Germany, the U.K., Switzerland and France as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, Switzerland and France.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in the U.K., Zurich, Tokyo, Singapore, Hong Kong, Sydney and New York.

The firm's equity approach begins with country allocation based on two-year economic projections. Within each country, the focus is on growth stocks. Fixed income is used as a limited tactical alternative.

The firm, a subsidiary of Schroders PLC, has been registered with the SEC since 1979.

Richard R. Foulkes is chief investment officer; Sharon L. Haugh is client contact.

Walter Scott International

626 Wilshire Blvd., Suite 410, Los Angeles, Calif. 90017; (213) 623-2800

Total assets managed	$600,000,000
Non-U.S. pension assets	$350,000,000
U.S. tax-exempt assets managed:	
Total	$250,000,000
International	$215,000,000
Equity accounts	$215,000,000
Global	$35,000,000
Equity accounts	$35,000,000
Minimum separate account	$5,000,000

Walter Scott International's international equity assets were committed most heavily to Japan, Hong Kong, the Netherlands, the U.K. and France as of March 31.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Edinburgh.

The firm's equity approach identifies the top quartile of world economic growth sectors and buys the best companies that are expected to continue growing internally at a rate of 20%. The geographic allocation is a result of this process.

The firm, a subsidiary of Walter Scott & Partners, has been registered with the SEC since 1983.

Walter G. Scott is chief investment officer; Richard A. Miller is client contact.

Scudder, Stevens & Clark

345 Park Ave., New York, N.Y. 10154; (212) 326-6297

Total assets managed	$46,421,000,000*
U.S. tax-exempt assets managed:	
Total	$10,557,000,000
International	$782,000,000
Equity accounts	$721,000,000
Bond accounts	$61,000,000
Global	$132,000,000
Equity accounts	$124,000,000
Balanced	$8,000,000
Minimum separate account	$10,000,000

*data are as of Dec. 31

Scudder, Stevens & Clark's international equity assets were committed most heavily to Japan, West Germany, the U.K., the Netherlands and Switzerland.

Its global equity assets were committed most heavily to the U.S., West Germany, the U.K., Switzerland and the Netherlands.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York, Boston, Toyko and London.

The firm's approach incorporates macroeconomic and microeconomic analyses. Assessments of the global economy as well as local market and currency factors are meshed with in-depth security analysis. Quantitative and qualitative research is used.

The firm has been registered with the SEC since 1943.

Nicholas Bratt is chief investment officer. The client contacts are Emily L. Smith in New York; Victoria J. Herget in Chicago; and David E. Honeyman in San Francisco.

Smith Barney Global Capital Management Inc.

1345 Avenue of the Americas, New York, N.Y. 10105; (212) 698-6131

Total assets managed	$263,000,000
Non-U.S. pension assets	$41,000,000
U.S. tax-exempt assets managed:	
Total	$221,000,000
International	$78,000,000
Bond accounts	$78,000,000
Global	$143,000,000
Bond accounts	$143,000,000
Minimum separate account	$10,000,000

Smith Barney Global Capital Management Inc.

Pensions & Investments welcomes news of personnel changes. Send items to:
Peter J. Retzbach
Pensions & Investments
740 Rush St.
Chicago, Ill. 60611
(312) 649-5390

actively manages all of its U.S. institutional tax-exempt assets invested abroad.

Analysts or portfolio managers are stationed in New York, London, Paris and Tokyo.

The firm's active fixed-income approach uses a research-based modeling system, fundamental overlays and active currency decisions.

The firm, a subsidiary of Primenca Corp., has been registered with the SEC since 1986.

Stephen J. Glover is chief investment officer; Jill B. Jordon is client contact.

State Street Bank & Trust

225 Franklin St., Boston, Mass. 02110; (617) 654-3953

Total assets managed	$47,765,000,000
Non-U.S. pension assets	$3,527,000,000
U.S. tax-exempt assets managed:	
Total	$42,849,000,000
International	$7,388,000,000
Equity accounts	$7,269,000,000
Bond accounts	$119,000,000
Global	$486,000,000
Equity accounts	$486,000,000
Minimum separate account	$5,000,000

State Street Bank & Trust Co.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to Japan, the U.S., West Germany, the U.K. and France.

Of the U.S. institutional tax-exempt assets invested abroad, $140 million is managed actively, $1.16 billion is managed in active/passive strategies and $6.574 billion, passively.

Analysts or portfolio managers are stationed in Boston.

The firm's investment approach is quantitative and value-oriented. Active strategies include stock selection, country selection or a combination. Currency hedging also is used.

The firm is a subsidiary of State Street Boston Corp.

Nicholas A. Lopardo is chief investment officer; Peter E. Braun is client contact.

Strategic Investment Partners Inc.

2000 K St. N.W., Suite 400, Washington, D.C. 20006; (202) 785-2300

Total assets	$4,855,000,000
Assets assigned to other firms:	
Total	$4,855,000,000
Non-U.S. pension	$112,000,000
U.S. tax-exempt total	$3,958,000,000
Global	$3,958,000,000
Balanced	$3,958,000,000
Minimum separate account	$20,000,000

Strategic Investment Partners Inc., a manager of managers, assigns all assets to other firms for management.

Its global equity assets were committed most heavily to the U.S., the U.K., West Germany, France and the Netherlands as of March 31.

Analysts or portfolio managers are based in Washington.

The firm uses quantitative tools, such as a global equity valuation model, and judgment to tilt its international portfolios toward pockets of significant value worldwide. The investment strategy is executed through specialist submanagers, with tactical asset allocation and currency management implemented directly by the firm. Equity portfolios combine active and passive management strategies to achieve efficient, cost-effective diversification.

The firm has been registered with the SEC since 1987.

Hilda Ochoa is chief investment officer; Ms. Ochoa and Mary Cholsi are client contacts.

T

TCW Global Advisors

400 S. Hope St., Suite 500, Los Angeles, Calif. 90071; (213) 683-4000

Total assets managed	$1,071,000,000
U.S. tax-exempt assets managed:	
Total	$865,000,000
Global	$865,000,000
Minimum separate account	$50,000,000

TCW Global Advisors' global assets were committed most heavily to the U.S., the U.K. and West Germany.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, Paris and New York.

The firm's uses a top-down, asset allocation approach based on computer-aided macroeconomic research that evaluates a range of monetary, economic and financial factors. Six countries are followed.

The firm, a subsidiary of Trust Co. of the West and Cursitor-Eaton Asset Management, has been registered with the SEC since 1986.

Charles Gave is chief investment officer; Thomas E. Larkin Jr. is client contact.

Foreign exchange will be highlighted Oct. 15.

Templeton International

500 E. Broward Blvd., Suite 2100, Fort Lauderdale, Fla. 33394; (305) 764-7390

Total assets managed	$2,930,000,000
Non-U.S. pension assets	$152,000,000
U.S. tax-exempt assets managed:	
Total	$2,545,000,000
International	$84,000,000
Equity accounts	$72,000,000
Bond accounts	$12,000,000
Global	$2,461,000,000
Equity accounts	$2,375,000,000
Bond accounts	$86,000,000
Minimum equity account	$10,000,000
Minimum fixed-income account	$25,000,000

Templeton International's international equity assets were committed most heavily to the U.K., Australia, France, Spain and Hong Kong as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Australia, the U.K., Hong Kong and Canada.

All of the U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Nassau, Toronto, Hong Kong, Edinburgh and Fort Lauderdale.

The firm's equity approach is bottom up, with portfolios built from a stock selection orientation. The key equity factor is price relative to long-term earnings potential or real book value; a five-year horizon is used.

The firm, a subsidiary of Templeton, Galbraith & Hansberger Ltd., has been registered with the SEC since 1979.

Thomas L. Hansberger is chief investment officer; James R. Wood is client contact.

The Travelers

1 Tower Square, Hartford, Conn. 06183; (203) 277-2997

Total assets managed	$44,321,000,000
U.S. tax-exempt assets managed:	
Total	$24,690,000,000
International	$838,000,000
Equity accounts	$484,000,000
Bond accounts	$318,000,000
Currencies	$36,000,000

The Travelers' international equity assets were committed most heavily to Japan, West Germany, the U.K., France and Switzerland as of March 31.

Of the U.S. institutional tax-exempt assets invested abroad, $550 million is managed actively and $288 million, passively.

Analysts or portfolio managers are stationed in Hartford and London.

The firm seeks to outperform the EAFE and FT-A EuroPac indexes using asset allocation and stock selection in a team management approach.

The firm, a subsidiary of The Traveler Corp., has been registered with the SEC since 1976.

Richard Shima is chief investment officer; John C. Parish is client contact.

V

Van Eck Associates Corp.

122 E. 42nd St., New York, N.Y. 10168; (212) 687-5200

Total assets managed	$1,413,000,000
U.S. tax-exempt assets managed:	
Total	$214,000,000
Global	$80,000,000
Equity accounts	$80,000,000
Minimum separate account	$10,000,000

Van Eck Associates Corp.'s global assets were committed to gold-oriented equities as of March 31.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in New York.

The firm identifies major macroeconomic and political trends and translates them into investment themes. Hedging is used to protect value. The firm emphasizes quality, liquidity, long-term results and preservation of capital.

The firm, a subsidiary of Van Eck Management Corp., has been registered with the SEC since 1983.

John C. van Eck is chief investment officer; Robin Erni is client contact.

The Vanguard Group Inc.

Vanguard Financial Center, Valley Forge, Pa. 19487; (215) 648-6000

Total assets	$51,272,000,000
Assets assigned to other firms:	
Total	$51,272,000,000
U.S. tax-exempt total	$13,422,000,000
International	$1,385,000,000
Equity accounts	$1,385,000,000

The Vanguard Group Inc., a manager of managers, assigns all assets to external managers. All assets are managed actively on its behalf.

The firm offers two international funds, the Trustees' Commingled Fund and Vanguard World Fund. The TCF fund normally holds more than 100 stocks, selected from the highest-rated names within a large pool. Individual stock selections rely on computer models, with current strategic themes including small-cap stocks and relative value. In the World Fund, a core/non-core approach is used. Core securities are predominantly small to midsize

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(201) 836-3900

April 30, 1990

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to

Two International Investors

Concerning The Acquisition of a 40% Partnership Interest

and

A Forward Commitment To Acquire An Additional 55% Partnership Interest

in

Two Rodeo Associates,

Owner and Developer of

Two Rodeo Drive

A European Style Urban Shopping Complex of Twenty-Three Buildings

Beverly Hills, California

GROUP RCMI INTERNATONAL

San Francisco Tokyo

companies in any of 15 major markets.

The firm has been registered with the SEC since 1976.

John C. Bogle is chief investment officer; James F. Gately is client contact.

W

Warburg Investment Management International

780 Third Ave., New York, N.Y. 10017; (212) 751-8394

Total assets managed	$2,225,000,000
Non-U.S. pension assets	$356,000,000
U.S. tax-exempt assets managed	
Total	$1,831,000,000
International	$806,000,000
Equity accounts	$561,000,000
Bond accounts	$245,000,000
Global	$1,025,000,000
Equity accounts	$405,000,000
Bond accounts	$620,000,000
Minimum separate account	$10,000,000

Warburg Investment Management International Ltd.'s international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, West Germany, the U.K. and France.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in London, Tokyo, Melbourne and New York.

The firm's investment style incorporates both top-down and bottom-up methodologies. Twenty countries are followed; portfolios are invested in up to 12 countries and weightings can vary greatly from the EAFE.

The firm, a subsidiary of Mercury Asset Management Group PLC, has been registered with the SEC since 1976.

Robert P.B. Michaelson is chief investment officer; Steven W. Golann is client contact.

Wellington Management Co.

75 State St., Boston, Mass. 02109; (617) 951-5000

Total assets managed	$41,804,000,000
U.S. tax-exempt assets managed	
Total	$14,144,000,000
International	$438,000,000
Equity accounts	$384,000,000
Bond accounts	$54,000,000
Global	$20,000,000
Equity accounts	$20,000,000
Minimum separate account	$10,000,000

Wellington Management Co.'s international equity assets were committed most heavily to Japan, West Germany, France, the U.K. and Switzerland as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S. and Japan.

All U.S. institutional tax-exempt assets invested abroad are managed actively.

Analysts or portfolio managers are stationed in Atlanta, Boston, Valley Forge and London.

The firm's equity approach incorporates bottom-up security selection and top-down country allocation, with currencies normally unhedged. In fixed-income, country weightings are determined by top-down analysis. Maturity is determined by interest rate anticipation and currency exposure is hedged.

The firm has been registered with the SEC since 1960.

Robert W. Doran is chief investment officer; Dena G. Willmore is client contact.

Wells Fargo Nikko Investment Advisors

45 Fremont St., San Francisco, Calif. 94105; (415) 597-2700

Total assets managed	$72,391,000,000
Non-U.S. pension assets	$3,621,000,000
U.S. tax-exempt assets managed	
Total	$66,458,000,000
International	$2,362,000,000
Equity accounts	$2,157,000,000
Bond accounts	$81,000,000
Balanced	$124,000,000
Global	$1,233,000,000
Equity accounts	$1,233,000,000
Minimum separate account	$100,000,000

Wells Fargo Nikko Investment Advisors' international equity assets were committed most heavily to Japan, the U.K., West Germany, France and Italy as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., Japan, the U.K., France and West Germany.

Of the U.S. institutional tax-exempt assets invested abroad, $124 million is managed in active/passive strategies and $3,471 billion, passively.

Analysts or portfolio managers are stationed in San Francisco and Tokyo.

The firm offers index funds tracking the EAFE, FT-A EuroPac and Salomon World Government Bond indexes, asset allocation funds and tilted index funds. South Africa-free funds and currency hedging.

The firm, a subsidiary of Wells Fargo & Co. and Nikko Securities Co. Ltd., has been registered with the SEC since 1985.

Patricia C. Dunn and Jeffrey L. Skelton are chief investment officers; Michael J. Flenman is client contact.

WorldInvest Ltd.

56 Russell Square, London WC1B 4HP U.K.; 071-637-3322

Total assets managed	$53,316,000,000
Non-U.S. pension assets	$997,000,000
U.S. tax-exempt assets managed	
Total	$2,319,000,000
International	$1,225,000,000
Equity accounts	$293,000,000
Bond accounts	$919,000,000
Balanced	$13,000,000
Global	$1,094,000,000
Equity accounts	$172,000,000
Bond accounts	$837,000,000
Balanced	$85,000,000
Minimum separate account	$15,000,000

WorldInvest Ltd.'s international equity assets were committed most heavily to France, the U.K., Canada, Switzerland and Spain as of March 31.

As of the same date, its global equity assets were committed most heavily to the U.S., France, the U.K., Canada and Spain.

All U.S. institutional tax-exempt assets invested internationally are managed actively.

Analysts or portfolio managers are stationed in London.

The firm's investment approach is driven by fundamental economic analysis. The firm is willing to take significant positions away from the index based on its top-down view of expected returns.

The firm has been registered with the SEC since 1980.

Keith Brown is chief investment officer; Susan Leader is client contact at (212) 755-0900.

Fed eases stock trade restrictions

Foreign securities trading got a boost in the first quarter from the Federal Reserve Board.

The Fed approved amendments to Regulation T to accommodate the settlement and clearance of foreign securities transactions and to permit marginability of foreign securities at broker-dealers.

That will make it easier for U.S. investors to use their U.S. brokerage margin accounts to buy foreign stocks and bonds not listed on major U.S. stock exchanges. Before now, investors had to pay in full for their purchases. The Fed proposed the rule change last year; it becomes effective April 30.

Now foreign stocks and bonds — including debt denominated in foreign currencies — will be eligible for margin at broker-dealers on the same basis as other securities.

Restrictions on payment and settlement for foreign securities will be eased. Broker-dealers will be allowed to arrange with foreign investors to extend credit for their foreign securities purchases.

Foreign equity securities will be eligible for margin treatment if they have been trading for at least six months on an exchange or recognized foreign market, have an aggregate market value for the security of at least $1 billion, an average weekly trading volume of at least 200,000 shares or the equivalent of $1 million and the issuer has been in business for five years.

The board will publish a quarterly list of foreign equity securities that are marginable.

Foreign corporate debt securities will be marginable if the original issue had outstanding a principal amount of at least $100 million, the issue is not in default on interest or principal payments and the issue is rated in one of the two highest rating categories by a leading rating agency. ■

THE CREATION OF VALUE

The Creation of Value *by Brad Holland, New York City. "To create," said the artist, "is to mediate between a void and an abstraction." The creation of value depends on action, and action depends on ideas.*

MBS market

Continued from page 1

assets at the end of 1989, up from 8.9% a year earlier. HUD has not yet issued first-quarter figures.

The Federal Reserve Board reported large commercial banks also showed impressive gains in mortgage-backed holdings, up 62% to $80 billion in the first quarter 1990 from the same period a year ago. Overall, commercial bank holdings were up 12% in calendar-year 1989. Mortgage-backed securities comprised 5.3% of commercial bank portfolio assets at the end of the first quarter, compared with 3.5% a year earlier.

Pension funds, on the other hand, held $82 billion in mortgage-backed securities at the end of 1989. Private pension funds increased their holdings less than 1% in 1989, and public pension funds had a 10% decline during the year.

Through the 12-month period ended March 31, mortgage-backed securities were the top total fixed-income performer, returning 13.1%. Ten-year Treasury securities returned 11.7%, corporate bonds returned 11.9% and federal agency securities, 11.7%. Mortgage-backed securities returned 135 basis points over Treasuries at the end the first quarter, compared with AAA financial bonds, which were 58 basis points over Treasuries during the same period.

The man known as the father of mortgage-backed securities wonders why pension funds are so slow to invest.

"The pension funds are the only ones big enough to replace the thrifts in a shrinking savings and loan market and those banks that don't invest in mortgage-backed securities," said Lewis S. Ranieri, who helped create the mortgage-backed securities market and is chairman of Hyperion Capital Management, New York. "And pension funds are underfunded in mortgages right now."

Some pension funds new to mortgage-backed securities investments might find them complicated and intimidating. Others don't want to deal with the uncertainty mortgage pre-payments can cause and the extensive bookkeeping. And funds that manage their own money might not have the expertise to do the research and analysis on the complex instruments.

"These are fairly sophisticated transactions, and some pension funds may not have the staffing or the history of working with mortgage-backed securities so that they don't feel confident in what they are buying," said Robert McLaughlin, investment officer for the $20 billion Ohio Public Employees' Retirement System, Columbus, which has $5 billion in mortgage-backed securities.

Money managers and others believe pension funds soon will step up to the plate because some might be underweighted in mortgages and because some state and local funds are getting pressure to make economically targeted investments. Pumping money into local housing is one of the key thrusts of this emerging investment trend.

Mal Kangas is investment officer for the $30 billion California State Teachers' Retirement System, Sacramento, which has $3.1 billion in mortgage-backed securities. He said: "We have $2 billion which has been newly invested in California mortgages over the past four years."

Some pension funds may have reduced their allocation due to thrift industry volatility, while others were comfortable with their current levels and didn't increase their allocations.

"We are in a neutral position right now, neither reducing nor adding to our commitment in mortgage-backed securities," said DeWitt Bowman, chief investment officer of the California Public Employees' Retirement System, Sacramento. Mr. Bowman said 12.5% of the $56 billion fund is committed to mortgage-backed securities. "We are at the level we want to be and don't have the ability to absorb new product," he said.

The government agencies that issue mortgage-backed securities, money managers and analysts said some institutional investors are boosting their holdings for several reasons: to get the higher yields; to find an alternative to corporate bonds and avoid event risk; to find a higher credit quality because there is no event or credit risk; and because the almost $1 trillion domestic mortgage securities market has become too large for investors to ignore.

Savings and loans are among the largest holders of mortgage-backed securities, but the failure of many thrifts and the fact the solvent ones are decreasing their holdings has opened the door for new investors.

The appetite for these securities may well match their availability.

Overall mortgage-backed security issuance has been rising steadily — more than 3,000 issues totaling $114.7 billion were issued in 1989 compared with 540 issues totaling $19.7 billion in 1985.

In the first quarter, 1,108 issues totaling $34.8 billion were issued, according to IDD Services Inc., New York.

These securities comprised 44% of the total domestic equity and debt securities market in 1989, up from 35% in 1988.

Asset-backed and mortgage-related financings now claim 63% of the total debt market, up 15% from two years ago.

"We issued a record $70 billion in mortgaged-backed securities last year," said Dale P. Riordan, executive vice president of marketing for the Federal National Mortgage Association in a speech at a conference for institutional investors in New York in mid-May.

"We expect growth to continue in the 1990s, and the $24 billion we issued in the first quarter was also a record," he said.

Fannie Mae is one of scores of issuers of mortgage-backed securities, including investment banks, that package mortgages and sell them. The largest underwriters of mortgage-backed securities for the first quarter 1990 were Bear Stearns & Co.; Prudential-Bache Capital Funding; Goldman, Sachs & Co.; Kidder Peabody & Co.; and Merrill Lynch Capital Markets.

"When spreads widen, a lot of institutional investors come into the mortgage-backed securities market," said Warren Spector, Bear Stearns senior managing director in charge of mortgage-backed securities sales. Bear Stearns issued $5.4 billion in mortgage-backed securities in the first quarter. He added: "Banks are increasing their holdings because government risk-based capital guidelines have encouraged them to hold assets with low, or no credit risk. These securities are backed by the government and have been very good market performers."

Some of the largest insurance company and commercial bank buyers are Prudential Insurance Co. of America, Equitable Life Assurance Society of the United States, Aetna Life & Casualty Co., Chemical Bank, Chase Manhattan Bank and Morgan Guaranty Trust Co.

"Overall, the attraction of investing in mortgage-backed securities is non-event risk and the price of the security," said Dwight Churchill, managing director of fixed income for Prudential Asset Management Co. Inc., New York, which has a total exposure of $9.9 billion in mortgage-backed securities.

"Commercial banks have incentives through federal guidelines to invest in these securities," said Brian P. Lancaster, vice president of Chemical Securities Inc., New York, a Chemical Bank affiliate that has $2 billion in mortgage-backed securities.

"Banks are transferring out of other asset-backed security investments and into mortgages because the returns are higher and they will continue to increase their investments," he said.

A high-profile campaign by Fannie Mae has paid off in a big increase in investor interest. Private pension funds increased their holdings of Fannie Mae mortgage-backed securities 186%, to $6.3 billion at the end of 1989 from $2.2 billion at the end of 1988, according to Robert Sahadi, Fannie Mae's vice president for mortgage-backed securities.

For public pension funds, the holdings increased 29% during the same period, to $7.1 billion from $5.5 billion. ■

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Search

Continued from page 2

had been approved by the board. The search was designed to find small and emerging money managers; a study by Wilshire Associates, Santa Monica, determined most minority- and female-owned firms fell into this category.

The staff, with the help of consulting firms Washington, Hackett, Smith & Co., New Orleans, and Debatin Associates, Atlanta, graded the proposals according to typical investment standards, Mr. Bowman said. When fast-growing firms were reviewed, he said, there at times were questions as to whether the firms had the ability to handle such growth.

Mr. Bowman said while the process might have produced a discriminatory result, there was no intentional discrimination.

Interviewing all 85 firms will give the public employees' system a chance to apply some more subjective analysis, Mr. Bowman said. The board already has interviewed the original 29 finalists and has set aside three days each in July and August to interview the remainder. The system hasn't determined how many firms will be hired or how much money will be placed.

Ed Brown, president of Brown Capital, was pleased to hear the system will consider all 85 firms; he was not given a reason for the initial elimination of his firm. "I was very surprised that there weren't any black-owned management firms selected," he added.

Maceo K. Sloan, president of NCM, also said he was glad the system was concerned enough to interview all 85 firms. Officials at WR Lazard declined comment.

Without pinpointing the public employees' system, however, minority managers generally believe it's hard to break into the institutional market. "It has to do with the ground rules that (institutions) set," Mr. Brown said. For instance, he said, minimum track record requirements exclude many new firms, not just minority-owned, if the firms' principals aren't allowed to submit track records achieved at their previous employers.

While track record requirements are a problem for many firms, minorities and women in the investment business often have the additional problem of not having had prior relationships with institutions, said Barbara Bowles, president of The Kenwood Group Inc., Chicago. Her firm, with $5 million in assets under management, didn't meet the minimum under management for the public employees' search.

Also, penalizing firms for growing too fast is "a rather arbitrary way to look at things," said Marx Cazenave, president of Progress Investment Management Co., San Francisco. The firm offers pooled funds run by emerging managers, especially those owned by women and minorities. It wasn't involved in the California searches.

Still, some minority managers said they've found no special barriers. "People seem interested in giving small firms and minority firms a chance," said John W. Rogers Jr., president of Ariel Capital Management Inc., Chicago. The firm, with $1.2 billion under management, didn't submit a proposal to either California fund because it is not taking on new clients, except in its mutual fund.

The other minority-owned finalist in the teachers' search is Taplin, Canida & Habacht Inc., Miami, whose principal owner is a Hispanic woman; this firm also was a finalist in the public employees' search. Remaining finalists in the teachers' search are Barrow, Hanley, Mewhinney & Strauss Inc., Dallas; Harris Bretall Sullivan & Smith Inc., San Francisco; IDS Advisory Group, Minneapolis; INVESCO Capital Management, Atlanta; Oppenheimer Capital, New York; Sasco Capital Inc., Fairfield, Conn.; J & W Seligman & Co. Inc., New York; and Waddell & Reed Asset Management Co., Kansas City, Mo.

The board of the teachers' system was scheduled to vote on manager hirings late last week, said Thomas Flanigan, chief investment officer of the $32 billion system. He expected the board to hire six to eight of the 12 finalists to divide up $600 million. The system is seeking equity managers in rotational, value and growth styles.

Mr. Flanigan said his system's search was not specifically an emerging or minority manager search. By lowering the minimum in assets under management to $100 million from $500 million and the minimum track record to three years from five, the system was just leveling the playing field, he said. He declined to comment on the public employees' search. ■

Market data group formed

Six top investment banks temporarily shelved their competitive zeal to set up EJV Partners, a joint venture to provide electronic market information to the financial services industry.

The "Group of Six" joint venture partners are the First Boston Corp., Goldman, Sachs & Co., Morgan Stanley & Co. Inc., Salomon Brothers Inc., Shearson Lehman Hutton Inc. and, subject to regulatory approval, Citibank.

Others are expected to participate in the future. The initial focus will be on the fixed-income market, specifically U.S. government securities, and information should be available in about a year.

Distributors and fees haven't been finalized.

Bruce Peterson, the new chief executive officer of EJV Partners, said the firms' collective high-quality information on securities prices, research and analysis will be of use to the players in the financial services industry, including bankers and institutional investors.

Mr. Peterson says he's not worried about the handful of competitors. "There's a lot of room in the market for vendors," he said.

Mr. Peterson formerly was executive vice president and general manager of the information services division of SEI Corp. Booz Allen & Hamilton Inc. helped form the joint venture. ■